

City of South Jordan, Utah

August 5, 2025

The City Council (the “Council”) of the City of South Jordan, Utah, met in regular public session at the regular meeting place of the Council in South Jordan, Utah, on Tuesday, August 5, 2025, at the hour of 6:30 p.m., with the following members of the Council being present:

Dawn R. Ramsey	Mayor
Patrick Harris	Councilmember
Kathie Johnson	Councilmember
Jason T. McGuire	Councilmember
Donald J. Shelton	Councilmember
Tamara Zander	Councilmember

Also present:

Dustin Lewis	City Manager
Anna Crookston	City Recorder
Sunil Naidu	Chief Financial Officer
Ryan Loose	City Attorney

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this August 5, 2025, meeting, a copy of which is attached hereto as Exhibit A.

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

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. R2025-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH JORDAN, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$45,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2025; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING OF A PUBLIC HEARING DATE; AUTHORIZING AND APPROVING THE EXECUTION OF AN INDENTURE, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of the City of South Jordan, Utah (the “Issuer”) desires to (a) finance all or a portion of improvements to the Issuer’s water system including, but not limited to, (i) a water tank to help meet current demand and support future growth on the west side of the Issuer, (ii) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (iii) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the Issuer and the Public Works Department, and related improvements (collectively, the “Series 2025 Project”), (b) fund any necessary debt service reserve fund, and (c) pay costs of issuance with respect to the Series 2025 Bonds herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Water Revenue Bonds, Series 2025 (the “Series 2025 Bonds”) (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), (b) this Resolution, and (c) a General Indenture of Trust (the “General Indenture”), and a Supplemental Indenture (the “Supplemental Indenture” and together with the General Indenture, the “Indenture”), with such Indenture in substantially the form presented to the meeting at which this Resolution was adopted and which is attached hereto as Exhibit B; and

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

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

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2025 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase agreement (the “Bond Purchase Agreement”), in substantially the form attached hereto as Exhibit C to be entered into between the Issuer and the underwriter or the purchaser (the “Underwriter/Purchaser”) selected by the Issuer for any portion of the Series 2025 Bonds; and

WHEREAS, in the event that the Designated Officers (defined below) determine that it is in the best interests of the Issuer to publicly offer all or a portion of the Series 2025 Bonds, the Issuer desires to authorize the use and distribution of one or more of a Preliminary Official Statement (the “Preliminary Official Statement”) in substantially the form attached hereto as Exhibit D, and to approve one or more of a final Official Statement (the “Official Statement”) in substantially the form as the Preliminary Official Statement, and other documents relating thereto; and

WHEREAS, in order to allow the Issuer flexibility in setting the pricing date of the Series 2025 Bonds to optimize debt service costs to the Issuer, the Council desires to grant to any one of the Mayor, the City Manager, or the Chief Financial Officer (each a “Designated Officer”), the authority to (a) determine whether all or a portion of the Series 2025 Bonds should be sold pursuant to a private placement or a public offering; (b) approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2025 Bonds shall be sold; and (c) make any changes with respect thereto from those terms which were before the Council at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the “Parameters”);

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

Section 1. For the purpose of (a) financing all or a portion of the Series 2025 Project, (b) funding a deposit to a debt service reserve fund, if necessary and (c) paying costs of issuance of the Series 2025 Bonds, the Issuer hereby authorizes the issuance of the Series 2025 Bonds which shall be designated “City of South Jordan, Utah Water Revenue Bonds, Series 2025” (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the aggregate principal amount of not to exceed \$45,000,000. The Series 2025 Bonds shall mature in not more than thirty-one (31) years from their date or dates, shall be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, shall bear interest at a rate or rates of not to exceed six percent (6.0%) per annum, as shall be approved by the Designated Officers, all within the Parameters set forth herein.

Section 2. The Designated Officers are hereby authorized to specify and agree as to the method of sale, the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2025 Bonds for and on behalf

of the Issuer, provided that such terms are within the Parameters set by this Resolution. The selection of the method of sale, the selection of the Underwriter/Purchaser and the determination of the final terms and redemption provisions for the Series 2025 Bonds by the Designated Officers shall be evidenced by the execution of the Bond Purchase Agreement if the Series 2025 Bonds are sold at a private or negotiated underwriting sale in substantially the form attached hereto as Exhibit C. The form of the Bond Purchase Agreement is hereby authorized, approved and confirmed.

Section 3. The Indenture and the Bond Purchase Agreement in substantially the forms presented to this meeting and attached hereto as Exhibits B and C, respectively, are hereby authorized, approved, and confirmed. The Mayor and City Recorder are hereby authorized to execute and deliver the Indenture and the Designated Officers are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 5 hereof. The Designated Officers are hereby authorized to select the Underwriter/Purchaser.

Section 4. Should the Designated Officers determine to have the Series 2025 Bonds underwritten, the Issuer hereby authorizes the utilization of the Preliminary Official Statement in the form attached hereto as Exhibit D in the marketing of the Series 2025 Bonds and hereby approves the Official Statement in substantially the same form as the Preliminary Official Statement.

Section 5. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Preliminary Official Statement, the Official Statement, the Series 2025 Bonds, the Bond Purchase Agreement, or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2025 Bonds (within the Parameters set by this Resolution), to conform to any applicable bond insurance or reserve instrument or to remove the same, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States.

Section 6. The form, terms, and provisions of the Series 2025 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Mayor and the City Recorder are hereby authorized and directed to execute and seal the Series 2025 Bonds and to deliver said Series 2025 Bonds to the Trustee for authentication. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution. The Series 2025 Bonds shall recite that the Series 2025 Bonds are issued under the authority of the Constitution of the State of Utah, the Act, and other applicable law.

Section 7. The Designated Officers or other appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Series 2025 Bonds in accordance with the provisions of the Indenture.

Section 8. Upon their issuance, the Series 2025 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2025 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2025 Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

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

Section 10. After the Series 2025 Bonds are delivered by the Trustee to the Underwriter/Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2025 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 11. In accordance with the provisions of the Act, the Issuer directs its officers and staff to cause a “Notice of Public Hearing and Bonds to be Issued” (the “Notice”), to be published in substantially the form attached hereto as Exhibit E. The Issuer shall hold a public hearing on September 2, 2025, to receive input from the public with respect to the issuance of the Series 2025 Bonds and the potential economic impact that the improvements to be financed with the proceeds of the Series 2025 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after the Notice is published (a) as a Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended (“Utah Code”) (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the official website of the Issuer, and (iii) in a public location within the Issuer that is reasonably likely to be seen by residents of the Issuer and (b) as required in Section 45-1-101, Utah Code. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the office of the City Recorder, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the initial date of publication thereof.

Section 12. The Issuer hereby reserves the right to opt not to issue the Series 2025 Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing.

Section 13. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this August 5, 2025.

(SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

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

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

(SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

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

I, Anna Crookston, the duly appointed and qualified City Recorder of the City of South Jordan, Utah (the “City”), do hereby certify according to the records of the City Council of the City (the “City Council”) in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on August 5, 2025, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on August 5, 2025, and that pursuant to the Resolution, a Notice of Public Hearing and Bonds to be Issued was posted no less than fourteen (14) days before the public hearing date (a) as a Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended (“Utah Code”) (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the City’s official website, and (iii) in a public location within the Issuer that is reasonably likely to be seen by residents of the City and (b) as required by Section 45-1-101, Utah Code.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this August 5, 2025.

(SEAL)

By: \_\_\_\_\_  
City Recorder



EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH  
OPEN MEETING LAW

I, Anna Crookston, the duly qualified and acting City Recorder of the City of South Jordan, Utah (the “City”), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice (the “Notice”) of the agenda, date, time, and place of the August 5, 2025, public meeting held by the City Council of the City, by causing the Notice, in the form attached hereto as Schedule 1,

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

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

(iii) to be posted on the City’s official website at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2025 Annual Meeting Schedule for the City Council (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be posted at least annually (a) on the Utah Public Notice Website, (b) on the City’s official website, and (c) in a public location within the City that is reasonably likely to be seen by residents of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my signature this August 5, 2025.

(SEAL)

By: \_\_\_\_\_  
City Recorder

To Be Attached:

SCHEDULE 1 --NOTICE OF MEETING

SCHEDULE 2 -- NOTICE OF ANNUAL MEETING SCHEDULE

EXHIBIT B

FORMS OF GENERAL INDENTURE AND SUPPLEMENTAL INDENTURE

GENERAL INDENTURE OF TRUST

Dated as of [October 1], 2025

between

CITY OF SOUTH JORDAN, UTAH

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as Trustee

Relating to

CITY OF SOUTH JORDAN, UTAH  
WATER REVENUE BONDS

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THIS GENERAL INDENTURE OF TRUST, dated as of [October 1], 2025 by and between CITY OF SOUTH JORDAN, UTAH (the “Issuer”), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its corporate trust office in Salt Lake City, Utah, as trustee (the “Trustee”),

W I T N E S S E T H:

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

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

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

WHEREAS, pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and/or the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the “Act”), the Issuer is authorized to issue its bonds payable from a special fund into which the Net Revenues of the Issuer may be pledged;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, the issuance by the Security Instrument Issuers from time to time of Security Instruments and the issuance by Reserve Instrument Providers from time to time of Reserve Instruments, and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds, of all Security Instrument Repayment Obligations according to their tenor and effect and of all Reserve Instrument Repayment Obligations according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein, in the Bonds, in all Security Instrument Agreements and in all Reserve Instrument Agreements, the Issuer does hereby convey, assign and pledge unto the Trustee and unto its successors in trust forever all right, title and interest of the Issuer in and to (i) the Net Revenues, (ii) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (iii) all other rights hereinafter granted, first, for the further securing of the Bonds and all Security Instrument Repayment Obligations, and second, for the further security of all Reserve Instrument Repayment Obligations, subject only to



the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture and any Supplemental Indenture;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, FIRST, for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture and all Security Instrument Issuers without privilege, priority or distinction as to the lien or otherwise of any Bond or Security Instrument Repayment Obligation over any other by reason of time of issuance, sale, delivery, maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, all Security Instrument Repayment Obligations, according to the true intent and meaning thereof and all Reserve Instrument Repayment Obligations, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article X hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Net Revenues are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

## ARTICLE I DEFINITIONS

Section 1.1 Definitions. As used in this Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Accreted Amount” means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds, as established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds.

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

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

“Additional Bonds” means all Bonds issued under this Indenture other than the Initial Bonds.

“Administrative Costs” means all Security Instrument Costs, Reserve Instrument Costs and Rebutable Arbitrage.

“Aggregate Annual Debt Service Requirement” means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof.

“Authorized Amount” means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

“Authorized Representatives” means the Mayor, City Recorder, City Manager, Chief Financial Officer, or any other officer of the Issuer so designated in writing by an Authorized Representative of the Issuer to the Trustee.

“Average Aggregate Annual Debt Service Requirement” means the total of all Aggregate Annual Debt Service Requirements divided by the total Bond Fund Years of the Bonds Outstanding or any specified portion thereof.

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

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

“Bond Fund Year” means the 12-month period beginning July 1 of each year and ending on the next succeeding June 30, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding June 30.

“Bondholder,” “Bondowner,” “Registered Owner” or “Owner” means the registered owner of any Bonds herein authorized according to the registration books of the Issuer maintained by the Trustee as Registrar.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to this Indenture, including the Initial Bonds and any Additional Bonds.

“Business Day” means any day (i) (a) on which banking business is transacted, but not including any day on which banks are authorized to be closed in New York City or in the city in which the Trustee has its Corporate Trust Office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (b) on which the New York Stock Exchange is open, or (ii) as otherwise provided in a Supplemental Indenture.

“Capital Appreciation Bonds” means Bonds the interest on which (i) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (ii) is payable upon maturity or prior redemption of such Bonds.

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

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

“Commercial Paper Program” means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to Article II hereof and are outstanding up to an Authorized Amount.

“Corporate Trust Office” means the designated corporate trust office of the Trustee at which, at any particular time, its corporate trust business shall be administered, which at the date of execution of this Indenture is that specified in Section 11.4 hereof.

“Cost” or “Costs” or “Cost of Completion,” or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

- (a) amounts payable to contractors and costs incident to the award of contracts;
- (b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits and licenses obtained by the Issuer or others;
- (c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;
- (d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (e) interest expenses, including interest on the Series of Bonds relating to a Project;

(f) printing, engraving and other expenses of financing, fees of financial rating services and costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));

(g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(h) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

(i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;

(j) cost of site improvements performed by the Issuer in anticipation of a Project;

(k) moneys necessary to fund the funds created under this Indenture;

(l) costs of the capitalization with proceeds of a Series of Bonds issued hereunder of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as herein provided, of any discount on bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;

(m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, “Cost” includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f), (i), (k), (l), (m) and (o) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

“Cross-over Date” means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“Cross-over Refunded Bonds” means Bonds or other obligations refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Current Interest Bonds” means all Bonds other than Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

“Debt Service” means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (i) all interest payable during such Bond Fund Year on such Series of Bonds, plus (ii) the Principal Installments payable during such Bond Fund Year on (a) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (b) such Repayment Obligations then outstanding;

*provided, however, for purposes of Section 2.13 hereof,*

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations as shall be established for this purpose in the opinion of the Issuer’s financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(2) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the market rate in a manner similar to that described in (1) above, unless another method of estimation is more appropriate, in the opinion of the Issuer's financial advisor, underwriter or similar agent with the approval of each Rating Agency, for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

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

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

and further provided, that there shall be excluded from Debt Service (a) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (b) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under

certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, (c) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations and (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued.

"Debt Service Reserve Fund" means the City of South Jordan, Utah, Debt Service Reserve Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

"Debt Service Reserve Requirement" means with respect to each Series of Bonds issued pursuant to this Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (i) 10% of the proceeds of such Series of Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds 2% of original principal, then determined on the basis of initial purchase price to the public), (ii) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (iii) 125% of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Additional Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series of Bonds issued pursuant to the Indenture, then the portion of such Series of Bonds that remain Outstanding immediately after the issuance of such Additional Bonds and the portion of such Additional Bonds that is allocable to the refunding of such Series of Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as herein provided or, if provided in the related Supplemental Indenture, may be accumulated over time. Each Account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

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

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

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of Refunding Bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

“Event of Default” means with respect to any default or event of default hereunder any occurrence or event specified in and defined by Section 7.1 hereof.

“Fitch” means Fitch Ratings.

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

“Government Obligations” means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury (“SLGS”);
- (b) United States Treasury bills, notes and bonds, as traded on the open market;
- (c) Zero Coupon United States Treasury Bonds; and
- (d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

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

“Initial Bonds” means the first Series of Bonds issued under this Indenture.

“Interest Payment Date” means the stated payment date of an installment of interest on the Bonds.

“Interest Rate Swap” means an agreement between the Issuer or the Trustee and a Swap Counterparty related to a Series of Bonds whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

“Issuer” means City of South Jordan, Utah, and its successors.

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

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

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

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



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

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

“Outstanding” or “Bonds Outstanding” means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

- (a) any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and

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

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds pursuant to Sections 6.6 and 11.5 hereof, and any additional or successor paying agent appointed pursuant hereto.

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

“Principal” means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case “Principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Principal Installment” means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which

would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment and (ii) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

“Project” means the acquisition, construction, and/or renovation of the System, or the acquisition of improvements and equipment (with an expected life beyond a current Fiscal Year) for use in the System.

“Put Bond” means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a “Put Bond.”

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

“Qualified Investments” means any of the following securities:

- (a) Government Obligations;
- (b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA’s);
- (c) Money market funds rated “AAAm” or “AAAm-G” or better by S&P and/or the equivalent rating or better of Moody’s (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;
- (d) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody’s or A-1+ by S&P, and which matures not more than 270 days after the date of purchase;
- (e) Bonds, notes or other evidences of indebtedness rated “AAA” by S&P and “Aaa” by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (f) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

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

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

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

"Rating Agency" means Fitch, Moody's or S&P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued hereunder at the request of the Issuer. If any such Rating Agency ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

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

"Rebatable Arbitrage" means with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

"Rebate Calculation Date" means, with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

"Rebate Fund" means the City of South Jordan, Utah, Water Revenue Rebate Fund created in Section 3.8 hereof to be held by the Trustee and administered pursuant to Section 5.8 hereof.

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

"Registrar" means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the registrar for the Bonds pursuant to Sections 2.6, 6.5 and 11.5 hereof, and any additional or successor registrar appointed pursuant hereto.

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

"Regulations" and all references thereto shall mean and include applicable final, proposed and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

“Remarketing Agent” means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

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

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

“Repayment Obligations” means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

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

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant hereto under all Reserve Instruments.

“Reserve Instrument Fund” means the City of South Jordan, Utah, Water Revenue Reserve Instrument Fund created in Section 3.6 hereof to be held by the Trustee and administered pursuant to Section 5.6 hereof.

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

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

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

“Revenue Fund” means the City of South Jordan, Utah, Water Revenue Fund created in Section 3.2 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

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

“S&P” means S&P Global Ratings.

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

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

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

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

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or

concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

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

“Sinking Fund Account” means the City of South Jordan, Utah, Water Revenue Sinking Fund Account of the Bond Fund created in Section 3.4 hereof to be held by the Trustee and administered pursuant to Section 5.4 hereof.

“Sinking Fund Installment” means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year for the retirement of Term Bonds as specified in the Supplemental Indenture authorizing said Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with this Indenture.

“State” means the State of Utah.

“Supplemental Indenture” means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

“Swap Counterparty” means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

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

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

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

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

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

“Trustee” means U.S. Bank Trust Company, National Association or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

“Utah Code” means Utah Code Annotated 1953, as amended.

“Variable Rate Bonds” means, as of any date of calculation, Bonds, the interest on which for any future period of time, is to be calculated at a rate which is not susceptible to a precise determination.

“Year” means any twelve consecutive month period.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant hereto, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance, delivery, maturity or expiration, shall be of equal rank without preference, priority or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by this Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Section 1.3 Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

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

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

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

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

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

## ARTICLE II THE BONDS

Section 2.1 Authorization of Bonds. There is hereby authorized for issuance hereunder Bonds which may, if and when authorized by Supplemental Indenture, be issued in one or more separate Series. Each Series of Bonds shall be authorized by a Supplemental Indenture, which shall state the purpose or purposes for which each such Series of Bonds is being issued. The aggregate principal amount of Bonds which may be issued shall not be limited except as provided herein or as may be limited by law provided that the aggregate principal amount of Bonds of each such Series shall not exceed the amount specified in the Supplemental Indenture authorizing each such Series of Bonds.

### Section 2.2 Description of Bonds; Payment.

(a) Each Series of Bonds issued under the provisions hereof may be issued only as registered bonds. Unless otherwise specified in the Supplemental Indenture authorizing such Series of Bonds, each Series of Bonds shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof, shall be numbered consecutively from R-1 upwards and shall bear interest payable on each Interest Payment Date.

(b) Each Series of Bonds issued under the provisions hereof shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate permitted by law on the date of initial issuance of such Series, shall be payable on the days, shall be stated to mature on the days and in the years and shall be subject to redemption prior to their respective maturities, all as set forth in the Supplemental Indenture authorizing such Series of Bonds. Each Series of Bonds shall be designated “[Taxable] Water Revenue [Refunding] Bonds, Series \_\_\_\_\_,” in each case inserting the year in which the Bonds are issued and, if necessary, an identifying Series letter.

(c) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States designated by the Registered Owner in written instructions furnished to the Trustee no later



than the Regular Record Date for such payment. Unless otherwise specified in the related Supplemental Indenture, the interest on Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Bond on such Regular Record Date, and will be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten (10) days prior to such Special Record Date. The principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof or as provided in Section 2.6 hereof at the Corporate Trust Office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.3 Execution; Limited Obligation. Unless otherwise specified in the related Supplemental Indenture, the Bonds of any Series shall be executed on behalf of the Issuer with the manual or official facsimile signature of its Mayor, countersigned with the manual or official facsimile signature of the City Recorder, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Issuer. In case any officer, the facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder and held by the Trustee (except the Rebate Fund) or the income from the temporary investment thereof) and Other Available Funds. The Bonds shall be a valid claim of the Registered Owners thereof only against the Net Revenues and other moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund) and the Issuer hereby pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Net Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized herein or by Supplemental Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

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

#### Section 2.4 Authentication and Delivery of Bonds.

(a) The Issuer shall deliver executed Bonds of each Series to the Trustee for authentication. Subject to the satisfaction of the conditions for authentication of Bonds set forth herein, the Trustee shall authenticate such Bonds, and deliver them upon the order of the Issuer to the purchasers thereof (or hold them on their behalf) upon the payment by the purchasers to the Trustee for the account of the Issuer of the purchase price therefor. Delivery by the Trustee shall be full acquittal to the purchasers for the purchase price of such Bonds, and such purchasers shall be under no obligation to see to the application thereof. The proceeds of the sale of such Bonds shall, however, be disposed of only as provided herein and in the related Supplemental Indenture.

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

(c) Prior to the authentication by the Trustee of each Series of Bonds there shall have been filed with the Trustee:

(i) A copy, duly certified by the City Recorder, of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds.

(ii) A copy, certified by the City Recorder, of the proceedings of the Issuer's Governing Body approving the execution and delivery of the instruments specified in Section 2.4(c)(i) herein and the execution and delivery of such Series of Bonds, together with a certificate, dated as of the date of authentication of such Series of Bonds, of the City Recorder that such proceedings are still in force and effect without amendments except as shown in such proceedings.

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

(iv) An opinion of bond counsel dated the date of authentication of such Series of Bonds to the effect that (a) the Issuer has authorized the execution and delivery of this Indenture and this Indenture has been duly executed and delivered

by the Issuer and is a valid and binding obligation of the Issuer; (b) this Indenture creates the valid pledge which it on the Net Revenues; and (c) the Bonds of such Series are valid and binding special obligations of the Issuer, entitled to the benefits and security hereof, provided that such opinion may contain limitations acceptable to the purchaser of such Series of Bonds.

(d) The Issuer may provide by Supplemental Indenture for the delivery to the Trustee of one or more Security Instruments (or may substitute one Security Instrument for another) with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith.

(e) The Issuer may provide by Supplemental Indenture for the issuance and delivery to the Trustee of one or more Reserve Instruments and the execution and delivery of any Reserve Instrument Agreements deemed necessary in connection therewith.

(f) The Issuer may authorize by Supplemental Indenture the issuance of Put Bonds; provided that any obligation of the Issuer to pay the purchase price of any such Put Bonds shall not be secured by a pledge of Revenues on a parity with the pledge contained in Section 6.2 hereof. The Issuer may provide for the appointment of such Remarketing Agents, indexing agents, tender agents or other agents as the Issuer may determine.

(g) The Issuer may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the Issuer deems appropriate, including:

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

(ii) In the event that the Principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements and other obligations of the Issuer to the Bondowners of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondowners in accordance with the terms of such Security Instrument.

(iii) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

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

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

**Section 2.5 Mutilated, Lost, Stolen or Destroyed Bonds.** In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, Series, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, or an affidavit of an officer of the Bondholder attesting to such loss, theft or destruction, together in all cases with indemnity satisfactory to the Trustee and the Issuer. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof upon compliance with the foregoing. The Trustee may charge the Registered Owner of such Bond with its reasonable fees and expenses in connection therewith. Any Bond issued pursuant to this Section 2.5 shall be deemed part of the Series of Bonds in respect of which it was issued and an original additional contractual obligation of the Issuer.

**Section 2.6 Registration of Bonds; Persons Treated as Owners.** The Issuer shall cause the books for the registration and for the transfer of the Bonds to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, provided, however, that the Issuer may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Upon the occurrence of an Event of Default which would require any Security Instrument Issuer to make payment under a Security Instrument Agreement, the Registrar shall make such registration books available to the Security Instrument Issuer. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series and the same maturity for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and the same maturity. The execution by the Issuer of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. Except as otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Issuer and the Trustee shall not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest

Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

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

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

Section 2.7 Redemption Provisions. The Term Bonds of each Series of Bonds shall be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if fewer than all Bonds of a Series are to be redeemed, the particular maturities of such Bonds to be redeemed and the Principal amounts of such maturities to be redeemed shall be selected by the Issuer. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 2.9 hereof, to be redeemed shall be selected by the Trustee randomly in such manner as the Trustee, in its discretion, may deem fair and appropriate.

Section 2.8 Notice of Redemption.

(a) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.8. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, notice of such redemption (i) shall be filed with the Paying Agent designated for the Bonds being redeemed; and (ii) shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(vii) the place where such Bonds are to be surrendered for payment, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, simultaneous with the mailed notice to Registered Owners, to the Municipal Securities Rulemaking Board and all registered securities depositories (as reasonably determined by the Trustee) then in the business of holding substantial amounts of obligations of types comprising the Bonds. Such further notice shall contain the information required in clause (a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(d) If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter

give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

(e) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date.

(f) Any notice mailed shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

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

Section 2.9 Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the related Supplemental Indenture, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Supplemental Indenture, a portion of any Bond of a denomination of more than the minimum denomination of such Series specified herein or in the related Supplemental Indenture to be redeemed will be in the principal amount of such minimum denomination or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bonds by such minimum denomination.

Section 2.10 Cancellation. All Bonds which have been surrendered for payment, redemption or exchange, and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer, shall be canceled and cremated or otherwise destroyed by the Trustee and shall not be reissued; provided, however, that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the Registered Owner thereof.

Section 2.11 Nonpresentation of Bonds. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund

or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within five years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent permitted by law, repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Registered Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. The provisions of this Section 2.11 are subject to the provisions of Title 67, Chapter 4a, Utah Code Annotated 1953, as amended.

Section 2.12 Initial Bonds. Subject to the provisions hereof, the Initial Bonds may be authenticated and delivered by the Trustee upon satisfaction of the conditions specified in Section 2.4(c) hereof and any additional conditions specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.13 Issuance of Additional Bonds. No additional indebtedness, bonds or notes of the Issuer secured by a pledge of the Revenues senior to the pledge of Net Revenues for the payment of the Bonds and the Security Instrument Repayment Obligations herein authorized shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds and the Security Instrument Issuers. In addition, no Additional Bonds or other indebtedness, bonds or notes of the Issuer payable on a parity with the Bonds and the Security Instrument Repayment Obligations herein authorized out of Net Revenues shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default shall have occurred and be continuing hereunder on the date of authentication of any Additional Bonds. This Section 2.13(a) shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions hereof and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Net Revenues plus Other Available Funds for any Year, less any Direct Payments, for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds outstanding for said Year; provided, however, that such Net Revenue coverage test set forth above in this Subsection (b) shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued hereunder, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith, and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

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



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

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

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

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

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

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

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

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

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

(e) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued hereunder, or other obligations of the Issuer (including the funding of necessary

reserves and the payment of costs of issuance) and/or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

Section 2.14 Form of Bonds. The Bonds of each Series and the Trustee's Authentication Certificate shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations as may be necessary, desirable, authorized and permitted hereby.

Section 2.15 Covenant Against Creating or Permitting Liens. Except for the pledge of Net Revenues to secure payment of the Bonds and other Repayment Obligations hereunder, the Net Revenues are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained herein shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Net Revenues subordinate to that of the Bonds and Repayment Obligations.

Section 2.16 Perfection of Security Interest. (a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Bonds, enforceable by the Trustee in accordance with the terms thereof.

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

### ARTICLE III CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee a separate account within the Acquisition/Construction Fund for each Project to be designated by the name of the applicable Project or Series of Bonds and, if applicable, a separate account for each Series of Bonds and for all grant moneys or other moneys to be received by the Issuer for deposit in the Acquisition/Construction Fund.

Section 3.2 Creation of Revenue Fund. The Issuer shall create and establish with the Issuer the Revenue Fund. For accounting purposes, the Revenue Fund may be redesignated by different account names by the Issuer from time to time.

Section 3.3 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.4 Creation of Sinking Fund Account. There is hereby created and ordered established in the custody of the Trustee as a separate account within the Bond Fund the Sinking Fund Account.

Section 3.5 Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee the Debt Service Reserve Fund.

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

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

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

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

Section 3.10 Creation of Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article III until such funds or accounts shall be utilized as provided in a Supplemental Indenture. The Issuer may, by Supplemental Indenture, authorize the creation of additional funds and additional accounts within any funds the Trustee may create.

#### ARTICLE IV APPLICATION OF BOND PROCEEDS

Upon the issuance of each Series of Bonds, the proceeds thereof shall be deposited as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

#### ARTICLE V USE OF FUNDS

##### Section 5.1 Use of Acquisition/Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Acquisition/Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Acquisition/Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit A attached hereto, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon audited, itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Acquisition/Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the application of any payments from the Acquisition/Construction Fund or to inquire into the purposes for which disbursements are being made from the Acquisition/Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Section 5.1(c) herein shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Acquisition/Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.1, any balance remaining in the applicable account in the Acquisition/Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to be applied, (i) toward the redemption of the Series of Bonds issued to finance such Project or (ii) to pay principal and/or interest next falling due with respect to such Series of Bonds.

## Section 5.2 Application of Revenues.

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

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

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

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

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

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

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

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

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

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required hereby, and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided herein, and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund, or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the Issuer shall deposit Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(ii) hereof) of remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) if less than the amount necessary; and

(ii) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of such month, such amount of the remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(i) hereof) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument.

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

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

- (i) redemption of Bonds;
- (ii) refinancing, refunding, or advance refunding of any Bonds;
- (iii) for transfer to the Rate Stabilization Fund; or
- (iv) for any other lawful purpose.

Section 5.3 Use of Bond Fund. The Issuer may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

- (i) accrued interest received upon the issuance of any Series of Bonds;
- (ii) all moneys payable by the Issuer as specified in Section 5.2(c) hereof;
- (iii) any amount in the Acquisition/Construction Fund to the extent required by or directed pursuant to Section 5.1(f) hereof upon completion of a Project;
- (iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in Section 5.5 hereof; and
- (v) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as provided in Section 7.4 hereof and as provided in this Section 5.3 and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

- (i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;
- (ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and
- (iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said Principal and interest.

(c) After payment in full of the Principal of and interest on (1) all Bonds issued hereunder (or after provision has been made for the payment thereof as provided herein so that such Bonds are no longer Outstanding); (2) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms; and (3) the fees, charges and expenses of the Trustee, the Paying Agent and any other amounts required to be paid hereunder or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement; all amounts remaining in the Bond Fund shall be paid to the Issuer.

#### Section 5.4 Use of Sinking Fund Account.

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant hereto, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the principal of such Term Bonds.

Section 5.5 Use of Debt Service Reserve Fund. Except as otherwise provided in this Section 5.5 and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable



Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall either be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof, (ii) deposited from available Net Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section 5.5, the Issuer is required, pursuant to Section 5.2(d) hereof and the provisions of any Supplemental Indenture, to make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in Section 5.2(d)(ii) herein.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds are Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once each year.

Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

The Issuer may, upon obtaining approving opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Section 5.6 Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid. The

amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

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

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

**Section 5.8 Use of Rebate Fund.**

(a) If it becomes necessary for the Issuer to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds which are subject to said rebate requirements are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for one or more Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by the determination report, be paid by the Trustee to the Issuer.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the

United States. The determination of Rebatale Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Indenture must be verified in writing by an independent public accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations and certifications required by this Section 5.8 and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations and certifications required by this Section 5.8.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 5.8. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) The provisions of this Section 5.8 may be amended or deleted without Bondowner consent or notice, upon receipt by the Issuer and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the excludability from gross income of interest on the Bonds or the status of the Bonds as entitled to Direct Payments, if applicable.

Section 5.9 Investment of Funds. Any moneys in the Bond Fund, the Acquisition/Construction Fund, the Reserve Instrument Fund, the Rebate Fund or the Debt Service Reserve Fund shall, at the discretion and written authorization of the Issuer's Authorized Representative, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Acquisition/Construction Fund, Bond Fund, the Reserve Instrument Fund and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with Section 5.5 hereof. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section 5.9. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

The Trustee may, to the extent permitted by the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, make any and all investments permitted by the provisions of the Indenture through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

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

In the event the Issuer shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds, or any Series thereof, being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the excludability of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Issuer may require in writing the Trustee to take such steps as it may be advised by such counsel are necessary so to restrict or limit the yield on such investment and the Trustee agrees that it will take all such steps as the Issuer may require.

**Section 5.10 Trust Funds.** All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except as provided otherwise in Section 5.8 hereof, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

**Section 5.11 Method of Valuation and Frequency of Valuation.** In computing the amount in any fund or account, Qualified Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

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

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

## ARTICLE VI GENERAL COVENANTS

Section 6.1 General Covenants. The Issuer hereby covenants and agrees with each and every Registered Owner of the Bonds issued hereunder, Security Instrument Issuer and Reserve Instrument Provider as follows:

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

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

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

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

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

Section 6.2 Lien of Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Net Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Net Revenues, or (iii) Funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 6.3 Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Net Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which Net Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Section 6.4 Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained herein, and in any and every Bond, Security Instrument Agreement and Reserve Instrument Agreement. The Issuer represents that it is duly authorized under the Constitution of the State to issue the Bonds authorized hereby and to execute this Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 6.5 List of Bondholders. The Trustee will keep on file at its Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in Principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 6.6 Designation of Additional Paying Agents. The Issuer hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder, but only to the extent such funds are made available to the Issuer from Bond proceeds or other Funds created hereunder or the income from the temporary investment thereof, for the payment of such of the Bonds as shall be presented when due at the Corporate Trust Office of the Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate Paying Agents.

Section 6.7 Tax Exemption of Bonds and Direct Payments. The Issuer recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon is excluded from gross income for federal income tax purposes under laws in force at the time the bonds are delivered. Bonds issued pursuant to this Indenture, the interest on which is excludable from gross income for federal income tax purposes, are referred to in this Section 6.7 as “tax-exempt Bonds.” Pursuant to the provisions thereof, the Issuer agrees that it will not take any action to permit tax-exempt Bonds issued hereunder to be issued in, or converted into, bearer or coupon form, unless the Issuer first receives an opinion from nationally recognized bond counsel that such action will not result in the interest on any Bonds becoming includible in gross income for purposes of federal income taxes then in effect.

The Issuer’s Mayor and City Recorder are hereby authorized and directed to execute such certificates as shall be necessary to establish that tax-exempt Bonds or entitled to Direct Payments issued hereunder are not “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners of such Bonds that no use will be made of the proceeds of the issue and sale of such Bonds, or any funds or accounts of the Issuer which may be deemed to be available proceeds of such Bonds, pursuant to Section 148 of the Code and applicable

regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such Bonds, would have caused the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of such Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

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

Section 6.8 Expeditious Construction. The Issuer shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Section 6.9 Management of System. The Issuer, in order to assure the efficient management and operation of the System and to assure each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

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

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



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

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

Section 6.13 Instruments of Further Assurance. The Issuer and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, or upon the request of a Security Instrument Issuer or a Reserve Instrument Provider, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or any official thereof.

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

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

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

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

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

## ARTICLE VII EVENTS OF DEFAULT; REMEDIES

Section 7.1 Events of Default. Each of the following events is hereby declared an “Event of Default”:

- (a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or
- (b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund hereunder or otherwise; or
- (c) if the Issuer shall, in the reasonable opinion of any Registered Owner of not less than 50% in aggregate principal amount of the Bonds then Outstanding hereunder, for any reason be rendered incapable of fulfilling its obligations hereunder; or
- (d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or
- (e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

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

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, or herein or any Supplemental Indenture hereof on the part of the Issuer to be performed, other than as set forth above in this Section 7.1, and such Default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding hereunder; or

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

**Section 7.2 Remedies; Rights of Registered Owners.** Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to Section 8.1 hereof, may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and if indemnified as provided in Section 8.1 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 7.2 as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other

remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

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

No waiver of any Event of Default hereunder, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

**Section 7.3 Right of Registered Owners to Direct Proceedings.** Anything herein to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

**Section 7.4 Application of Moneys.** All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee and any other outstanding fees and expenses of the Trustee relating to its duties under this Indenture, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

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

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

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

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 7.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Section 7.6 Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section 7.6, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.1(g), or of which by said Section it is deemed to have notice, nor unless also Registered Owners of 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and

effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7 Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Registered Owner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8 Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due and all expenses of the Trustee, in connection with

such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 7.9 Cooperation of Issuer. In the case of any Event of Default hereunder, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Registered Owners, Reserve Instrument Providers and the Security Instrument Issuers.

## ARTICLE VIII THE TRUSTEE

Section 8.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by an Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 8.1(g) herein, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 7.1(a) or (b), unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Issuer pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever



within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) All moneys received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(m) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers, pursuant to the provisions of this Indenture, unless such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers shall have offered to the Trustee security or indemnity acceptable to the Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

(n) The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers.

**Section 8.2 Fees, Charges and Expenses of Trustee.** The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this Section 8.2 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

**Section 8.3 Notice to Registered Owners if Event of Default Occurs.** If an Event of Default occurs of which the Trustee is by Section 8.1(g) hereof required to take notice or if notice of an Event of Default be given to the Trustee as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail or sent by facsimile to all Security Instrument Issuers or to Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds, as applicable.

Section 8.4 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by the Registered Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section 8.4 are subject to the approval of a court of competent jurisdiction.

Section 8.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered or certified mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee by the Registered Owners or by the Issuer as provided in Section 8.8 hereof; provided, however that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 8.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of a majority in aggregate Principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 8.8 Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer (or, if an Event of Default exists, by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by an Authorized Representative under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners). Every

successor Trustee appointed pursuant to the provisions of this Section 8.8 or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000.

Each Reserve Instrument Provider and Security Instrument Issuer shall be notified by the Issuer immediately upon the resignation or termination of the Trustee and provided with a list of candidates for the office of successor Trustee.

Section 8.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII shall be filed or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed and/or recorded.

Section 8.10 Trustee Protected in Relying Upon Indenture, Etc. The indentures, opinions, certificates and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11 Successor Trustee as Trustee, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee hereunder and Registrar for the Bonds and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 8.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of remedies on Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 8.12 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended hereby to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request of such trustee or co-trustee, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 8.13 Annual Accounting. The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and to each Reserve Instrument Provider requesting the same. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports concerning the transactions described herein that were delivered by the Trustee during the Bond Fund Year just ended.

Section 8.14 Indemnification. To the extent permitted by law and subject to the provisions of Section 8.1(a) of this Indenture, the Issuer shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct. The indemnification provided to the Trustee under this Section 8.14 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.15 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

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

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

## ARTICLE IX SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers. The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners, Reserve Instrument Providers or Security Instrument Issuers, enter into an indenture or indentures supplemental hereto, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.13 hereof;
- (b) To cure any ambiguity or formal defect or omission herein;
- (c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;
- (d) To subject to this Indenture additional Revenues or other revenues, properties, collateral or security;
- (e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, or any successor provisions of law;
- (f) To make any change which shall not materially adversely affect (determined as if there were no Security Instrument in place) the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuers or any Reserve Instrument Provider, requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

(g) To make any change necessary (A) to establish or maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (B) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America or (C) to establish or maintain the Direct Payments related to any Series of Bonds;

(h) If the Bonds affected by any change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(i) If the Bonds affected by any change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project, (2) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds and (3) a certificate of the Issuer to the effect that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture; and

(k) To correct any references contained herein to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references herein are correct.

Section 9.2 Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section 9.2, and not otherwise, the Registered Owners of 66 2/3% in aggregate Principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any indenture supplemental hereto; provided, however, that nothing in this Section 9.2 contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal

amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement hereto shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in Section 9.1 hereof, neither this Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

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

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

## ARTICLE X DISCHARGE OF INDENTURE

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions hereof, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien hereof, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien hereof, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of this Article X when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Direct Obligations.

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

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

- (a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);
- (b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to the provisions of this Indenture; and
- (c) if the Bonds to be redeemed will not be redeemed within 90 days of such deposit, directing the Trustee to mail, as soon as practicable, in the manner prescribed by



Article II hereof, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this Article X has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article X and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in Subparagraph (a) above.

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

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

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

## ARTICLE XI MISCELLANEOUS

Section 11.1 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection or other instrument required hereby to be executed by the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution. The amount of Bonds held by any person executing such instrument as a Registered Owner of

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

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and the Reserve Instrument Providers as herein provided.

Section 11.3 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

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

Section 11.4 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer if the same shall be duly mailed by registered or certified mail or sent by facsimile addressed to it at 1600 West Towne Center, South Jordan, Utah 84095, Attention: Mayor, or to such address as the Issuer may from time to time file with the Trustee. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail or sent by facsimile addressed to it at U.S. Bank Trust Company, National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, Attention: Corporate Trust Department, or to such other address as the Trustee may from time to time file with the Issuer.

Section 11.5 Trustee as Paying Agent and Registrar. Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.6 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.1 Electronic Signatures. Each party hereto acknowledges and agrees that it may execute this Indenture, and any variation or amendment hereto, using Electronic Signatures, as hereinafter defined. Such Electronic Signatures are intended to authenticate this writing and to have the same force and effect as handwritten signatures.

“Electronic Signature” means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such

record, including facsimile or email electronic signatures, pursuant to applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Utah Uniform Electronic Transaction Act, or any other similar state laws based on the Uniform Electronic Transactions Act, as amended from time to time.

Section 11.2 Applicable Law. THIS INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE.

Section 11.3 Immunity of Officers and Directors. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein contained against any past, present or future officer, or other public official, employee, or agent of the Issuer.

Section 11.4 Holidays. If any date for the payment of principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first Business Day thereafter and no interest shall accrue for the period between such date and such first Business Day thereafter.

Section 11.5 Effective Date. This Indenture shall become effective immediately.

Section 11.6 Compliance with Act. It is hereby declared by the Issuer's Governing Body that it is the intention of the Issuer by the execution of this Indenture to comply in all respects with the provisions of the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

CITY OF SOUTH JORDAN, UTAH, as Issuer

(SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Trust Officer

EXHIBIT A

FORM OF REQUISITION

Re: City of South Jordan, Utah, Water Revenue Bonds, \_\_\_\_\_ in the sum of  
\$ \_\_\_\_\_

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

You are hereby authorized to disburse from the Series \_\_\_\_\_ Account of the Acquisition/Construction Fund with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: \_\_\_\_\_

NAME AND ADDRESS OF PAYEE:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AMOUNT: \$ \_\_\_\_\_

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Each obligation, item of cost, or expense mentioned herein has been properly incurred, is a proper charge against the Series \_\_\_\_\_ Account of the Acquisition/Construction Fund based upon audited, itemized claims substantiated in support thereof (evidence of such support not herein required by the Trustee), is justly due and owing and constitutes a Cost of a Project and has not been the basis for a previous withdrawal.

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

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of [October 1], 2025

by and between

CITY OF SOUTH JORDAN, UTAH

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
as Trustee

Supplementing the  
General Indenture of Trust  
Dated as of [October 1], 2025

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## FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of [October 1], 2025, by and between City of South Jordan, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the “Issuer”) and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah (the “Trustee”);

### WITNESSETH:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of [October 1], 2025 (the “General Indenture”) with the Trustee; and

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

WHEREAS in order to (a) finance improvements to the Issuer’s water system including, but not limited to, (i) a water tank to help meet current demand and support future growth on the west side of the Issuer, (ii) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (iii) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the Issuer and the Public Works Department, and related improvements (collectively, the “Series 2025 Project”), and (b) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Water Revenue Bonds, Series 2025 in the aggregate principal amount of \$[PAR] (the “Series 2025 Bonds”); and

WHEREAS, the Series 2025 Bonds will be authorized, issued and secured under the General Indenture, as amended and supplemented by this First Supplemental Indenture (the “First Supplemental Indenture,” and collectively with the General Indenture, and any amendments thereto or hereto, the “Indenture”); and

WHEREAS, the execution and delivery of the Series 2025 Bonds and of this First Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2025 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this First Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2025 Bonds and all other Bonds Outstanding and Additional Bonds issued and Outstanding under the Indenture, the payment of the principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds, to secure the Security Instrument Issuers of Security Instruments for any Bonds, and of all Reserve Instrument Providers of Reserve Instruments for any Bonds, and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time and the issuance of the Reserve Instrument by the Reserve Instrument Provider, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound



hereby, the Issuer has executed and delivered this First Supplemental Indenture of Trust, and by these presents does, in confirmation of the General Indenture, as amended and supplemented, hereby sell, assign, transfer, set over and pledge unto U.S. Bank Trust Company, National Association, as Trustee, its successors in trusts and its assigns forever, to the extent provided in the General Indenture, as amended and supplemented, all right, title and interest of the Issuer in and to (i) the Net Revenues (as defined in the General Indenture), (ii) all moneys in funds and accounts held by the Trustee under the General Indenture and hereunder (except the Rebate Fund), and (iii) all other rights granted under the General Indenture and hereinafter granted for the further securing of such Bonds.

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

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

## ARTICLE I SUPPLEMENTAL INDENTURE; DEFINITIONS

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

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

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

“Dated Date” means the date of delivery of the Series 2025 Bonds.

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

“Interest Payment Date” means, with respect to the Series 2025 Bonds, each May 1 and November 1 commencing [November 1, 2026].

“Series 2025 Acquisition/Construction Account” means the account established within the Acquisition/Construction Fund under the General Indenture held in trust by the Trustee, into which a portion of the proceeds of the Series 2025 Bonds shall be deposited as provided herein.

“Series 2025 Bonds” means the City of South Jordan, Utah, Water Revenue Bonds, Series 2025 authorized herein.

“Series 2025 Debt Service Reserve Account” means the account established within the Debt Service Reserve Fund under the General Indenture held in trust by the Trustee.

“Series 2025 Debt Service Reserve Requirement” means, with respect to the Series 2025 Bonds, an amount equal to [\$0].

“Series 2025 Project” means the financing of improvements to the Issuer’s water system including, but not limited to, (i) a water tank to help meet current demand and support future growth on the west side of the Issuer, (ii) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (iii) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the Issuer and the Public Works Department, and related improvements.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated, as underwriter of the Series 2025 Bonds pursuant to a Bond Purchase Agreement dated [\_\_\_\_\_], 2025, by and between the Underwriter and the Issuer.

## ARTICLE II ISSUANCE OF THE SERIES 2025 BONDS

Section 2.1 Principal Amount, Designation and Series. The Series 2025 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Series 2025 Project and (ii) pay costs incurred in connection with the issuance of the Series 2025 Bonds. The Series 2025 Bonds shall be limited to \$[PAR] in aggregate principal amount, shall be issued in fully registered form, shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof, and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Series 2025 Bonds shall be designated as and shall be distinguished from the Bonds of all other series by the title, “Water Revenue Bonds, Series 2025.”

Section 2.2 Date, Maturities and Interest. The Series 2025 Bonds shall be dated as of the Dated Date, and shall mature in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Dated Date or unless, as shown by the records of the Trustee, interest on the Series 2025 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Dated Date, payable on each Interest Payment Date at the rates per annum as set forth below:

Maturity  
(November 1)

Principal Amount

Interest Rate

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

Section 2.3 Optional Redemption. The Series 2025 Bonds maturing on or before [November 1, 20\_\_\_\_] are not subject to redemption prior to maturity. The Series 2025 Bonds maturing on or after [November 1, 20\_\_\_\_] are subject to redemption prior to maturity in whole or in part at the option of the Issuer on [November 1, 20\_\_\_\_] or on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as November be selected by the Issuer at a redemption price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed plus accrued interest, if any, thereon to the date of redemption.

Section 2.4 Mandatory Sinking Fund Redemption.

(a) The Series 2025 Bonds maturing on [November 1, 20\_\_\_\_] are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund  
Redemption Date  
(November 1)

Mandatory Sinking Fund  
Redemption Amount

---

\* Final Maturity Date

Upon redemption of any Series 2025 Bonds maturing on [November 1, 20\_\_\_\_], other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2025 Bonds maturing on [November 1, 20\_\_\_\_], in such order of mandatory sinking fund date as shall be directed by the Issuer.

Section 2.5 Execution of Bonds. The Mayor is hereby authorized to execute by facsimile or manual signature the Series 2025 Bonds and the City Recorder to countersign and attest by facsimile or manual signature the Series 2025 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2025 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2025 Bonds.

Section 2.6 Delivery of Bonds. It is hereby determined that the Series 2025 Bonds shall be authenticated and delivered to the Underwriter upon compliance with the General Indenture and payment of the purchase price thereof.

Section 2.7 Designation of Registrar. The Trustee is hereby designated as Registrar for the Series 2025 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Registrar.

Section 2.8 Designation of Paying Agent. The Trustee is hereby designated as Paying Agent for the Series 2025 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Paying Agent.

Section 2.9 Book-Entry System. (a) Except as provided in paragraphs (b) and (c) of this Section 2.9 the Registered Owner of all Series 2025 Bonds shall be, and the Series 2025 Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (together with any substitute securities depository appointed pursuant to paragraph (c)(ii) of this Section 2.9, "DTC"). Payment of the interest on any Series 2025 Bond shall be made in accordance with the provisions of this First Supplemental Indenture to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Bond Registrar.

(b) The Series 2025 Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Series 2025 Bonds. Upon initial issuance, the ownership of each such Series 2025 Bond shall be registered in the registration books of the Issuer kept by the Registrar, in the name of Cede, as nominee of DTC. With respect to Series 2025 Bonds so registered in the name of Cede, the Issuer, Registrar and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of any of such Series 2025 Bonds. Without limiting the immediately preceding sentence, the Issuer, Registrar and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series 2025 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2025 Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other

person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, any of the Series 2025 Bonds. The Issuer, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, absolute owner of each Series 2025 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2025 Bond, (2) giving notices of redemption and other matters with respect to such Series 2025 Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2025 Bonds are registered in the name of CEDE & Co., the Paying Agent shall pay the principal or redemption price of, and interest on, all Series 2025 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Issuer's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in paragraph (c) of this Section 2.9, no person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal or redemption price of, and interest on, any such Bond pursuant to this First Supplemental Indenture. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this First Supplemental Indenture, the word "Cede" in this First Supplemental Indenture shall refer to such new nominee of DTC.

(c) Except as provided in paragraph (c)(iii) of this Section 2.9, and notwithstanding any other provisions of this First Supplemental Indenture, the Series 2025 Bonds may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

(a) (i) DTC may determine to discontinue providing its services with respect to the Series 2025 Bonds at any time by giving written notice to the Issuer, the Registrar, and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Series 2025 Bonds under applicable law.

(ii) The Issuer, in its sole discretion and without the consent of any other person, may, by notice to the Registrar, terminate the services of DTC with respect to the Series 2025 Bonds if the Issuer determines that the continuation of the system of book-entry-only transfers through DTC is not in the best interests of the beneficial owners of the Series 2025 Bonds or the Issuer; and the Issuer shall, by notice to the Registrar, terminate the services of DTC with respect to the Series 2025 Bonds upon receipt by the Issuer, the Registrar, and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Series 2025 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2025 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2025 Bonds be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owners of the Series 2025 Bonds.

(i) Upon the termination of the services of DTC with respect to the Series 2025 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination

of the services of DTC with respect to the Series 2025 Bonds pursuant to subsection (c)(i) or subsection (c)(ii)(1) hereof the Issuer may within 90 days thereafter appoint a substitute securities depository which, in the opinion of the Issuer, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Series 2025 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. In such event, the Issuer shall execute and the Registrar shall authenticate Series 2025 Bond certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interest in the Series 2025 Bonds.

(ii) Notwithstanding any other provision of this First Supplemental Indenture to the contrary, so long as any Series 2025 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Series 2025 Bond and all notices with respect to such Series 2025 Bond shall be made and given, respectively, to DTC.

(iii) In connection with any notice or other communication to be provided to Holders of Series 2025 Bonds registered in the name of Cede pursuant to this Second Supplemental Indenture by the Issuer or the Registrar with respect to any consent or other action to be taken by such Holders, the Issuer shall establish a record date for such consent or other action by such Holders and give DTC notice of such record date not less than fifteen (15) days in advance of such record date to the extent possible.

Section 2.10 Limited Obligation. The Series 2025 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Series 2025 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

Section 2.11 Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Series 2025 Bonds, enforceable by the Trustee in accordance with the terms thereof.

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

Section 2.12 Series 2025 Bonds as Initial Bonds. The Series 2025 Bonds are issued as the Initial Bonds under the General Indenture.

ARTICLE III  
APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1 Creation of Series 2025 Accounts. There is hereby established with the Trustee a Series 2025 Account within the Acquisition/Construction Fund.

Section 3.2 Application of Proceeds of the Series 2025 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2025 Bonds in the amount of \$[\_\_\_\_\_] (being an amount equal to the principal amount thereof, plus a [net] reoffering premium of \$[\_\_\_\_\_] , less an Underwriter's discount of \$[\_\_\_\_\_] , and the Trustee shall deposit said proceeds into the Series 2025 Acquisition/Construction Account.

Section 3.3 No Series 2025 Debt Service Reserve Requirement. There shall be no Debt Service Reserve Requirement with respect to the Series 2025 Bonds.

Section 3.4 Series 2025 Acquisition/Construction Account. Disbursements of moneys in the Series 2025 Acquisition/Construction Account shall be made in accordance with the terms of Section 5.1 of the General Indenture; provided, however, that costs of issuance shall be paid by the Trustee from the Series 2025 Acquisition/Construction Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request signed by an Authorized Representative of the Issuer in substantially the form of Exhibit B attached hereto.

Section 3.5 Repair and Replacement Fund. For purposes of the Series 2025 Bonds, the Repair and Replacement Reserve Requirement is [\$0].

ARTICLE IV  
CONFIRMATION OF GENERAL INDENTURE

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

ARTICLE V  
MISCELLANEOUS

Section 5.1 Confirmation of Sale of Series 2025 Bonds. The sale of the Series 2025 Bonds to the Underwriter at the price described above, is hereby ratified, confirmed and approved.

Section 5.2 Severability. If any provision of this First Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision

or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this First Supplemental Indenture contained, shall not affect the remaining portions of this First Supplemental Indenture, or any part thereof.

Section 5.3     Counterparts. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.4     Electronic Signatures. Each party hereto acknowledges and agrees that it may execute this Indenture, and any variation or amendment hereto, using Electronic Signatures, as hereinafter defined. Such Electronic Signatures are intended to authenticate this writing and to have the same force and effect as handwritten signatures.

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

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

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



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

CITY OF SOUTH JORDAN, UTAH

(SEAL)

By: \_\_\_\_\_  
Mayor

COUNTERSIGN:

By: \_\_\_\_\_  
City Recorder

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Trust Officer

EXHIBIT A

(FORM OF SERIES 2025 BOND)

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

Registered

Registered

UNITED STATES OF AMERICA  
CITY OF SOUTH JORDAN, UTAH  
WATER REVENUE BONDS  
SERIES 2025

Number R - \_\_\_\_

\$\_\_\_\_\_

Interest Rate

Maturity Date

Dated Date

CUSIP

%

November 1, \_\_\_\_

[\_\_\_\_], 2025

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_

City of South Jordan, Utah (the "Issuer"), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on [May 1] and [November 1] of each year, commencing [\_\_\_\_] 1], 20\_\_\_\_ (each an "Interest Payment Date"), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the designated offices of U.S. Bank Trust Company, National Association, Corporate Trust Department, Salt Lake City, Utah ("Trustee" and "Paying Agent") or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds of the Issuer designated as the “Water Revenue Bonds, Series 2025” (the “Series 2025 Bonds”) in the aggregate principal amount of \$[PAR] of like tenor and effect, except as to date of maturity and interest rate, numbered R-1 and upwards, issued by the Issuer pursuant to a General Indenture of Trust dated as of [October 1], 2025, as supplemented by a First Supplemental Indenture of Trust dated as of [October 1], 2025 (collectively the “Indenture”) approved by a resolution of the Issuer adopted on [August 5, 2025] (the “Bond Resolution”), for the purpose of (i) financing the financing of improvements to the Issuer’s water system (the “System”), including, but not limited to, (a) a water tank to help meet current demand and support future growth on the west side of the Issuer, (b) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (c) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the Issuer and the Public Works Department, and related improvements and (ii) paying certain issuance expenses, all in full conformity with the Constitution and laws of the State of Utah. Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated “City of South Jordan, Utah Water Revenue Bond Fund” (the “Bond Fund”), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Net Revenues (as defined in the Indenture) derived and to be derived from the Issuer’s System all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2025 Bonds shall be payable only from the Net Revenues (as defined in the Indenture) and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer, within the meaning of any constitutional or statutory provision or limitation of indebtedness.

As provided in the Indenture, additional bonds, notes and other obligations of the Issuer may be issued and secured on an equal lien parity with the Series 2025 Bonds, from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes and other obligations issued and to be issued under the Indenture is not limited.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2025 Bonds, the terms upon which the Series 2025 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

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

Interest on the Series 2025 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2025 Bonds authenticated on or subsequent to the first Interest Payment Date shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date, as of

that date; provided, however, that if interest on the Series 2025 Bonds shall be in default, interest on the Series 2025 Bonds issued in exchange for Series 2025 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2025 Bonds surrendered.

The Series 2025 Bonds are subject to optional [and mandatory sinking fund] redemption as provided in the Indenture.

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

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the designated corporate offices of U.S. Bank Trust Company, National Association (the “Registrar”), in Salt Lake City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

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

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

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues of the Issuer have been pledged and that an amount therefrom will

be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Net Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond.

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

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

CITY OF SOUTH JORDAN, UTAH

(SEAL)

\_\_\_\_\_  
(facsimile or manual signature)

Mayor

COUNTERSIGN:

\_\_\_\_\_  
(facsimile or manual signature)

City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Water Revenue Bonds, Series 2025 of City of South Jordan, Utah.

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_ (Manual Signature)  
Authorized Officer

Date of Authentication: \_\_\_\_\_

## ASSIGNMENT

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

\_\_\_\_\_  
(Social Security or Other Identifying Number of Assignee)

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Assignee)

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

DATED: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Signature Guaranteed:

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



EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

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

Pursuant to Section 3.4 of the First Supplemental Indenture of Trust dated as of [October 1], 2025, you are hereby authorized to pay to the following costs of issuance from the Series 2025 Acquisition/Construction Account:

(See Attached Schedule)

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AUTHORIZED REPRESENTATIVE,  
CITY OF SOUTH JORDAN, UTAH

Costs of Issuance

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
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EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

BOND PURCHASE AGREEMENT

\$[PAR]  
City of South Jordan, Utah  
Water Revenue Bonds,  
Series 2025

September [\_\_\_\_], 2025

City of South Jordan  
1600 West Towne Center Drive  
South Jordan, Utah

The undersigned, Stifel, Nicolaus & Company, Incorporated, as the underwriter of the hereinafter defined Series 2025 Bonds (the “Underwriter”), acting as a principal on behalf of itself and not as fiduciary or agent for you, offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with City of South Jordan, Utah (the “Issuer”) which, upon the acceptance by the Issuer of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

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

ARTICLE I

SALE, PURCHASE AND DELIVERY

Section 1.1. (a) On the basis of the representations, warranties and agreements contained herein and upon the terms and conditions herein set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to sell to the Underwriter, all, but not less than all, of the Issuer’s \$[PAR] aggregate principal amount of Water Revenue Bonds, Series 2025 (the “Series 2025 Bonds”), at a purchase price of \$[\_\_\_\_\_] (representing the principal amount of the Series 2025 Bonds, plus a [net] reoffering premium of \$[\_\_\_\_\_] and less an Underwriter’s discount of \$[\_\_\_\_\_] plus accrued interest, if any, from their dated date to the Closing Date (as hereinafter defined). The Series 2025 Bonds will mature on the dates and in the amounts and bear interest at the rates per annum as set forth in Exhibit A hereto.

(b) The Series 2025 Bonds shall be as described in the Official Statement dated September [\_\_\_\_], 2025, of the Issuer relating to the Series 2025 Bonds (together with all appendices thereto, the “Official Statement”), shall be issued and secured under and pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), and other applicable provisions of law; (ii) a General Indenture of Trust dated as of [October 1], 2025 (the “General Indenture”), as supplemented by a First Supplemental Indenture of Trust dated as of [October 1], 2025 (the

“First Supplemental Indenture” and together with the General Indenture, the “Indenture”) each by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); all as authorized pursuant to a resolution adopted by Council of the Issuer on August 5, 2025 (the “Resolution”). The Series 2025 Bonds are being issued pursuant to the Resolution, the Indenture, and the Act. The Series 2025 Bonds are payable from and secured solely by the Net Revenues (as further defined in the Indenture).

(c) The proceeds from the sale of the Series 2025 Bonds will be used to (i) finance all or a portion of improvements to the Issuer’s water system including, but not limited to, (i) a water tank to help meet current demand and support future growth on the west side of the Issuer, (ii) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (iii) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the Issuer and the Public Works Department, and related improvements and (ii) pay costs of issuance with respect to the Series 2025 Bonds.

(d) The Indenture, the Series 2025 Bonds, the Resolution, and the Continuing Disclosure Undertaking (defined below), and this Purchase Agreement are sometimes referred to collectively herein as the “Transaction Documents.”

(e) The Underwriter agrees to make an initial public offering of the Series 2025 Bonds at the offering prices or yields set forth on the inside front cover page of the Official Statement. The Underwriter may, however, change such initial offering prices or yields as it may deem necessary in connection with the marketing of the Series 2025 Bonds and offer and sell the Series 2025 Bonds to certain dealers (including dealers depositing the Series 2025 Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth in the Official Statement. The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize, maintain or otherwise affect the market prices of the Series 2025 Bonds and (ii) to discontinue such transactions, if commenced, at any time without prior notice.

Section 1.2. (a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2025 Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2025 Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Series 2025 Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Series 2025 Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Series 2025 Bonds. If at that time the 10% test has not been satisfied as to

any maturity of the Series 2025 Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Series 2025 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined herein) has occurred, until either (i) the Underwriter has sold all Series 2025 Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2025 Bonds of that maturity; provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or bond counsel. For purposes of this Section, if Series 2025 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2025 Bonds.

(c) The Underwriter confirms that it has offered the Series 2025 Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2025 Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2025 Bonds, the Underwriter will neither offer nor sell unsold Series 2025 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2025 Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Series 2025 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2025 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2025 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon

request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Series 2025 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to the public (each such term being used as defined below), and

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

(ii) any selling group agreement relating to the initial sale of the Series 2025 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2025 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2025 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2025 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2025 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Series 2025 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2025 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2025 Bonds.

(f) The Underwriter acknowledges that sales of any Series 2025 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2025 Bonds to

the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2025 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2025 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2025 Bonds to the public),
- (iii) a purchaser of any of the Series 2025 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

Section 1.3. (a) By acceptance and approval of this Purchase Agreement, the Issuer hereby authorizes the use of copies of the Official Statement. The Issuer hereby agrees to provide the Official Statement to the Underwriter no later than the earlier of (i) seven (7) business days from the date hereof or (ii) one (1) business day prior to the Closing Date (as defined herein) in order to permit the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), and the applicable requirements of the Municipal Securities Rulemaking Board (the “MSRB”), with respect to distribution of the Official Statement. The Issuer shall prepare the Official Statement, including any amendments thereto, in electronic, word-searchable PDF format as described in the MSRB’s Rule G-32 and shall provide such Official Statement to the Underwriter no later than one (1) day prior to the Closing Date.

(b) The Issuer has heretofore “deemed final” the Preliminary Official Statement dated [\_\_\_\_], 2025, and relating to the Series 2025 Bonds (the “Preliminary Official Statement”) for purposes of paragraph (b)(1) of Rule 15c2-12 and the Issuer acknowledges and ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Series 2025 Bonds.

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

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

Section 1.4. At approximately 9:30 a.m., Utah time, on October [\_\_\_\_], 2025, or on such later date as shall be agreed upon in writing by the Issuer and the Underwriter (the “Closing Date”), the Issuer will cause the Series 2025 Bonds to be delivered to or for the account of the Underwriter in definitive form, duly executed and authenticated, at such place designated by the Underwriter and will deliver to the Underwriter the other documents herein mentioned at the offices of Bond Counsel, or such other location as may be mutually agreed upon by the Issuer and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Series 2025 Bonds as set forth in Section 1.1(a) hereof by wire transfer, payable in federal funds or other immediately available funds to the order of the Trustee (such delivery and payment are herein called the “Closing”). The Series 2025 Bonds shall be initially issued in the form of one fully registered Bond for each maturity of the Series 2025 Bonds, shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), and shall be made available to DTC or its agent for the account of the Underwriter in New York, New York (or such other place designated by the Underwriter).

## ARTICLE II

### REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF ISSUER

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

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

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

Section 2.3. The adoption of the Resolution, the execution and delivery of the Transaction Documents, the compliance by the Issuer with the provisions of any or all of the foregoing documents, and the application of the proceeds of the Series 2025 Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the material breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or



instrument to which the Issuer is a party or by which the Issuer or any of its property is or may be bound.

Section 2.4. The Issuer has duly authorized all necessary action to be taken by it for the adoption of the Resolution; the issuance and sale of the Series 2025 Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement, and the Transaction Documents; and the execution, delivery and receipt of the Transaction Documents, and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

Section 2.5. Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Issuer, or to the knowledge of the Issuer, any meritorious basis therefor, (a) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the Net Revenues, the Series 2025 Project, or the financial condition of the Issuer; (b) affecting the existence of the Issuer or the titles of its officers to their respective offices; (c) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2025 Bonds or the Net Revenues pledged pursuant to the Indenture; (d) in any way contesting or affecting the validity or enforceability of the Series 2025 Bonds or any of the Transaction Documents or the transactions contemplated thereby; (e) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (f) contesting the powers of the Issuer or any authority for the issuance of the Series 2025 Bonds or the execution and delivery of any of the Transaction Documents.

Section 2.6. When delivered to and paid by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2025 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special limited obligations of the Issuer in conformity with, and entitled to the benefit and security of the Indenture.

Section 2.7. The Issuer is not in breach of or in default under any material existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is bound; and the execution and delivery of the Series 2025 Bonds, the Transaction Documents, and this Purchase Agreement, and compliance with the provisions thereof, will not conflict with or constitute a material breach or a default under any law, administrative regulation, judgment, decree, loan agreement, mortgage, indenture, deed of trust, note, resolution, agreement or other instrument to which the Issuer or its property is or may be bound.

Section 2.8. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Transaction Documents, or which could have a material adverse effect on the financial condition of the Issuer, receipt by the Issuer of the Net Revenues, or the transactions contemplated by the Transaction Documents, or have a material adverse effect on the validity or enforceability in accordance with

their respective terms of the Transaction Documents or this Purchase Agreement or in any way adversely affect the existence or any powers of the Issuer or the titles of its officers to their respective positions or the excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

Section 2.9. The information contained in the Preliminary Official Statement (except as changed by the Official Statement) was, as of its date, and is, as of the date hereof, and the information in the Official Statement will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date does not and, as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date does not and, as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not be deemed to cover or apply to (x) information provided to the Issuer in writing by the Underwriter and included on the inside front cover page of the Preliminary Official Statement or the Official Statement regarding the principal amount, interest rates, maturities and initial public offering prices of the Series 2025 Bonds or (y) statements in the Preliminary Official Statement or the Official Statement under the captions “THE SERIES 2025 BONDS—Book-Entry Only System,” “UNDERWRITER,” and “APPENDIX F.”

Section 2.10. Except as described in the Official Statement, the Issuer has not otherwise pledged the Net Revenues other than to secure and pay the Series 2025 Bonds and the Series 2025 Bonds enjoy a first lien and pledge on the Net Revenues.

Section 2.11. The Issuer will not take or omit to take any action which will in any way cause the proceeds from the sale of the Series 2025 Bonds to be applied or result in such proceeds being applied in a manner inconsistent with the Transaction Documents.

Section 2.12. The Issuer hereby authorizes the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offering and sale of the Series 2025 Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Series 2025 Bonds.

Section 2.13. The Issuer agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Series 2025 Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Issuer shall not be required with respect to the offer or sale of the Series 2025 Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Issuer hereby consents to the use of the Official Statement by the Underwriter in obtaining such qualification.

Section 2.14. If between the date of this Purchase Agreement and 25 days following the “end of the underwriting period” (which the Issuer can assume is the Closing Date unless otherwise notified in writing by the Underwriter) any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material

fact required to be stated therein or necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Agreement by notification to the Issuer at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Series 2025 Bonds.

Section 2.15. When executed by the respective parties thereto, this Purchase Agreement and the Transaction Documents will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms except that the rights and obligations under the Transaction Documents, and this Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of Utah.

Section 2.16. The Issuer has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Transaction Documents and this Purchase Agreement and any and all other agreements relating thereto.

Section 2.17. Each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty, or agreement by the Issuer upon which the Underwriter shall be entitled to rely.

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

Section 2.19. The Issuer's audited financial statements as of, and for the year ended June 30, 2024, a copy of which is included in the Preliminary Official Statement and Official Statement, present fairly the financial position of the Issuer at June 30, 2024, and the results of its operations and changes in financial position for the year then ended; any other statements and data submitted in writing by the Issuer to the Underwriter in connection with this Purchase Agreement are true and correct in all material respects as of their respective dates; except as described in the Official Statement and except as otherwise disclosed by the Issuer to the Underwriter, since June 30, 2024, there has been no material adverse change in the condition, financial or otherwise, of the Issuer from that set forth in the audited financial statements as of and for the year ended that date, and the Issuer has not since June 30, 2024, incurred any material liabilities, directly or indirectly, whether or not arising in the ordinary course of its operations.

Section 2.20. The Issuer has not previously entered into any continuing disclosure undertaking pursuant to Rule 15c2-12.

Section 2.21. The Issuer will not take or omit to take any action that will in any way cause the proceeds from the sale of the Series 2025 Bonds to be applied or result in such proceeds being applied in a manner inconsistent the Indenture.

### ARTICLE III

#### UNDERWRITER'S CONDITIONS

Section 3.1. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered prior to and at the Closing and in reliance upon the performance by the Issuer of its obligations hereunder. Accordingly, the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2025 Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall be subject to the following further conditions:

(a) At the time of Closing for the Series 2025 Bonds, (1) the Transaction Documents shall be in full force and effect and shall not have been revoked, rescinded, repealed, amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (2) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Gilmore & Bell, P.C., bond counsel to the Issuer ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby.

(b) At the time of the Closing, the Official Statement shall not have been supplemented or amended, except in any such case as otherwise provided in this Purchase Agreement or as may have otherwise been agreed to in writing by the Underwriter.

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

(i) (A) Legislation shall have been enacted by the Congress, introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (B) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (C) an order, ruling, regulation, or communication (including a press release) shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or (D) any action shall be taken or statement made by or on behalf of the President of the United States or the Department of Treasury or the Internal Revenue Service or any member of the United States Congress which indicates or implies that legislation will be introduced in the current or next scheduled session of the United States

Congress, with the purpose or effect, directly or indirectly, of requiring the inclusion in gross income for federal income tax purposes of interest to be received by any owners of the Series 2025 Bonds; or

(ii) Legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission (“SEC”) which, in the opinion of the Underwriter, has the effect of requiring the offer or sale of the Series 2025 Bonds to be registered under the Securities Act of 1933, as amended (the “Securities Act”) or any other “security,” as defined in the Securities Act, issued in connection with or as part of the issuance of the Series 2025 Bonds to be so registered or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended; or that the issuance, offering or sale of obligations of the general character of the Series 2025 Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes or has made untrue or incorrect in any respect any statement or information contained in the Official Statement or is not or was not reflected in the Official Statement but should be or should have been reflected therein in order to make the statements or information contained therein not misleading in any material respect; or

(iii) In the reasonable judgment of the Underwriter, it is impractical or inadvisable for the Underwriter to market or sell or enforce agreements to sell Series 2025 Bonds because (A) there shall be in force a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any governmental authority having jurisdiction; or the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Series 2025 Bonds or as to obligations of the general character of the Series 2025 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or (B) the State of Utah shall have taken any action, whether administrative, legislative, judicial or otherwise, which would have a material adverse effect on the marketing or sale of the Series 2025 Bonds, including any action relating to (x) the tax status of the Series 2025 Bonds under federal or Utah law as set forth in the opinion of Bond Counsel attached as Appendix D to the Official Statement; or (C) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise, or the escalation of such calamity or crisis, the effect of which, in the reasonable judgment of the Underwriter, would make it impractical or inadvisable for the Underwriter to market or sell or enforce contracts to sell Series 2025 Bonds; or (D) a war involving the United States of America shall have been declared or

any other conflict involving the armed forces of the United States of America has escalated, in either case to such a magnitude as to materially adversely affect the Underwriter's ability to market the Series 2025 Bonds; (E) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or Utah or if any material disruption in commercial banking or securities settlement or clearance services shall have occurred; or (F) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Series 2025 Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(iv) Any financial rating assigned to the Series 2025 Bonds or any other obligations of the Issuer by S&P Global Ratings ("S&P"), Fitch Ratings, Inc. ("Fitch"), or Moody's Investors Service, Inc. ("Moody's"), as the case may be, shall have been downgraded, withdrawn, or any other action taken, and such action, in the opinion of the Underwriter, has a material adverse effect on the marketability of the Series 2025 Bonds; or

(v) Any litigation shall be instituted, pending or threatened (A) to restrain or enjoin the issuance, sale or delivery of the Series 2025 Bonds, (B) in any way contesting or affecting any authority for or the validity of the Series 2025 Bonds, any of the proceedings of the Issuer or the Trustee taken with respect to the issuance or sale thereof, the pledge, appropriation or application of any moneys or securities provided for the payment of the Series 2025 Bonds, or (C) in any way contesting or affecting the existence or powers of the Issuer or the Trustee or the titles of their officers to their respective offices; or

(vi) The purchase of and payment for the Series 2025 Bonds by the Underwriter, or the resale of the Series 2025 Bonds by the Underwriter, on the terms and conditions herein provided, shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(vii) Any other event or circumstances shall have occurred which shall be beyond the reasonable control of the Underwriter and, in the opinion of the Underwriter, might in any way have a material adverse effect on the marketability of the Series 2025 Bonds or the market price thereof.

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

(i) The approving opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer ("Bond Counsel"), dated the Closing Date, in substantially the form attached as [Appendix D] to the Official Statement, together with a reliance letter addressed to the Trustee and the Underwriter permitting such entities to rely on such opinion;

(ii) The letter of Gilmore & Bell, P.C., as Disclosure Counsel to the Issuer, dated the Closing Date and addressed to the Underwriter, in standard form for similar transactions;

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

(iv) The opinion of Farnsworth Johnson PLLC, counsel to the Underwriter;

(v) The Issuer's certificate, dated the Closing Date, signed by the Mayor or other authorized representative of the Issuer and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the Issuer herein are true and correct in all material respects as of the Closing Date as if made on the Closing Date; (B) except as disclosed in the Official Statement, no litigation is pending or, to the best of their knowledge, threatened against the Issuer (i) to restrain or enjoin the issuance or delivery of any of the Series 2025 Bonds, or the collection of Net Revenues pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Series 2025 Bonds or the adoption of the Resolution or the execution and delivery of the Transaction Documents, the validity or enforceability of the Series 2025 Bonds and the Transaction Documents, or the excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds, (iii) questioning or challenging any power of the Issuer, including its ability to levy taxes, or (iv) in any way contesting the organization, existence or powers of the Issuer or the titles of its officers to their respective offices, or (v) contesting or attempting to restrain or enjoining the application of the proceeds thereof or the payment, collection or application of the Revenues or the pledge of the Net Revenues, or of other moneys, rights and interests pledged pursuant to the Indenture or the adoption of the Resolution; (C) the descriptions and information contained in the Official Statement relating to the Issuer, its organization and financial and other affairs, and the application of the proceeds of sale of the Series 2025 Bonds are correct in all material respects, as of the date of the Official Statement and as of the Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of said Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (F) the Transaction Documents have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms except as enforcement may be limited by

bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies; (G) the Resolution authorizing the execution and delivery of the Transaction Documents has been duly adopted and has not been modified, amended or repealed; and (H) the execution and delivery of the Transaction Documents and this Purchase Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or any law, public administrative rule or regulation, court order or consent decree to which the Issuer is subject;

(vi) A copy of each of the Resolution and the Transaction Documents, duly executed by each of the parties thereto;

(vii) A copy of the Tax Certificate of the Issuer, relating to matters affecting the excludability from gross income for federal income tax purposes of interest on the Series 2025 Bonds, including the use of proceeds of sale of the Series 2025 Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(viii) An executed copy of the IRS Form 8038-G relating to the Series 2025 Bonds;

(ix) A copy of each of the Preliminary Official Statement and the Official Statement;

(x) Evidence satisfactory to the Underwriter that the Series 2025 Bonds have received a rating of "[\_\_\_\_]" from [\_\_\_\_];

(xi) A copy of the Letter of Representations from the Issuer to DTC;

(xii) A certificate or certificates of the Trustee in form and substance satisfactory to Bond Counsel;

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

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

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



## ARTICLE IV

### EXPENSES

The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2025 Bonds. The Underwriter shall be under no obligation to pay and the Issuer shall pay or cause to be paid the expenses incident to the performance of the obligations of the Issuer hereunder including but not limited to (a) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the Issuer; (b) the fees and disbursements of Bond Counsel and Disclosure Counsel; (c) the fees of the rating agencies; (d) costs associated with the Official Statement and the Preliminary Official Statement; (e) Trustee fees; (f) the fee of Underwriter's counsel; and (g) advertising costs and travel expenses.

The Underwriter shall pay (from the expense component of the Underwriter's discount) and the Issuer shall be under no obligation to pay all expenses incurred by it in connection with the initial purchase of the Series 2025 Bonds, including any costs or expenses related to CUSIP Service Bureau fees, and a continuing disclosure undertaking compliance review. The Issuer acknowledges that a portion of the Underwriter's underwriting discount is intended to reimburse the Underwriter for any incidental expenses (including, but not limited to, transportation, lodging and meals of Issuer and Underwriter personnel) incurred by the Underwriter (on behalf of Underwriter personnel and Issuer personnel and advisors, as applicable) in connection with the execution of the transaction contemplated by this Purchase Agreement.

## ARTICLE V

### ROLE OF THE UNDERWRITER; RELATED DISCLOSURES

Section 5.1. The Issuer hereby acknowledges and agrees that:

(a) the Underwriter has heretofore provided the Issuer an engagement letter (the "Engagement Agreement"), setting forth the role and responsibilities of the Underwriter in connection with the offering of the Series 2025 Bonds and making disclosures pertinent thereto, which disclosures have previously been and are hereby acknowledged by the Issuer; and

(b) the Issuer has heretofore acknowledged in the Engagement Agreement and hereby acknowledges and agrees that:

(i) MSRB Rule G-17 requires the Underwriter to deal fairly at all times with both municipal issuers and investors;

(ii) the primary role of the Underwriter, as underwriter, is to purchase securities, for resale to investors, in an arm's length, commercial transaction with the Issuer, and the Underwriter has financial and other interests that differ from those of the Issuer;

(iii) the Underwriter is acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction

contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters);

(iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement;

(v) the Issuer has consulted with its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it deemed appropriate in connection with the issuance and offering of the Series 2025 Bonds;

(vi) the Underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and

(vii) the Underwriter will review the Official Statement in accordance with, and as part of, its responsibilities under the federal securities law, as applied to the facts and circumstances of the transaction. However, the Issuer has primary responsibility for disclosure to investors. Accordingly, the Underwriter's review of the Official Statement should not be construed by the Issuer as a guarantee of the accuracy or completeness of the information in the Official Statement.

Section 5.2. The Underwriter represents and warrants that it is not currently engaged in a boycott of the State of Israel or an economic boycott of a boycotted company, as such terms are defined in the immediately succeeding two sentences. As currently defined in Section 63G-27-102(5) of the Utah Code, “economic boycott” means an action targeting a “boycotted company” with the intention of penalizing or inflicting economic harm to such company. Furthermore, as currently defined in Section 63G-27-102(3) of the Utah Code “boycotted company” means a company that (1) engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture, (2) engages in, facilitates, or supports the manufacture, distribution, sale, or use of firearms, (3) does not meet or commit to meet environmental standards, including standards for eliminating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable state and federal law requirements or (4) does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures. The Underwriter covenants and agrees not to engage in a boycott of the State of Israel or an economic boycott of a boycotted company for the duration of any contractual arrangement with the Issuer, including this Purchase Agreement.

## ARTICLE VI

### GENERAL

Section 6.1. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the Underwriter at Stifel, Nicolaus & Company, Incorporated, 15 West South Temple, Suite 1090, Salt Lake City, Utah 84101; Attention: Matt Dugdale. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to City of

South Jordan, 1600 West Towne Center Drive, South Jordan, Utah 84095, Attention: Mayor, with a copy thereof to the City Attorney.

Section 6.2. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties, covenants and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of and payment of the Series 2025 Bonds hereunder and regardless of any investigation made by the Underwriter or on their behalf.

Section 6.3. This Purchase Agreement shall be governed by the laws of the State of Utah.

Section 6.4. The Issuer has retained LRB Public Finance Advisors, Inc. as its Independent Registered Municipal Advisor in this transaction.

Section 6.5. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 6.6. Each party hereto acknowledges and agrees that it may execute this Purchase Agreement, and any variation or amendment hereto, using Electronic Signatures, as hereinafter defined. Such Electronic Signatures are intended to authenticate this writing and to have the same force and effect as handwritten signatures.

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

Section 6.7. This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof, and all previous representations, endorsements, promises, agreements or understandings, oral, written or inferred, between the parties relating to the subject matter hereof are superseded hereby.

[Signature Page(s) Follow]

This Purchase Agreement shall become effective upon the execution by Stifel, Nicolaus & Company, Incorporated and the acceptance hereof by the Issuer.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_

Its: \_\_\_\_\_

CITY OF SOUTH JORDAN, UTAH

\_\_\_\_\_  
Designated Officer

EXHIBIT A

\$(PAR)  
City of South Jordan, Utah  
Water Revenue Bonds,  
Series 2025

Maturity Date ( <u>November 1</u> )	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>	Pricing <u>Rule</u>
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[c      Yield to optional call on \_\_\_\_\_.]  
[\*      General rule maturities.]

EXHIBIT B

FORM OF

UNDERWRITER'S RECEIPT FOR BONDS  
AND ISSUE PRICE CERTIFICATE

\${PAR}

City of South Jordan, Utah  
Water Revenue Bonds,  
Series 2025

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the "Original Purchaser"), as the Original Purchaser of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by City of South Jordan, Utah (the "Issuer"), certifies and represents as follows:

1. Receipt of the Bonds. The Original Purchaser hereby acknowledges receipt of the Bonds pursuant to the Bond Purchase Agreement (the "Purchase Agreement") by and between the Original Purchaser and the Issuer, dated September [\_\_\_\_], 2025 (the "Sale Date"). The Bonds are issued as fully registered bonds, and are dated, mature on the dates, bear interest at the rates per annum, and are numbered as set forth in the Indenture (as defined in the Purchase Agreement.)

2. Issue Price. For purposes of this section the following definitions apply:

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

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

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

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

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

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

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

(B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other.

“Purchaser” means the Original Purchaser on its own behalf and as representative of each Underwriting Firm.

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

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

The Purchaser represents as follows:

1. Attached as Attachment 1 is a copy of the pricing wire or similar communication used to communicate the Initial Offering Price of each Maturity to the Public.
2. As of the Effective Time all the Bonds were the subject of an initial offering to the Public.
3. As of the Effective Time none of the Bonds were sold to any person at a price higher than the Initial Offering Price for that Maturity.
4. [[As of the Effective Time there were no Undersold Maturities.]] [[For any Undersold Maturity, during the Holding Period each Underwriting Firm did not offer nor sell Bonds of the Undersold Maturity to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.]
- [5. Any separate agreement among any Underwriting Firm related to the sale of an Undersold Maturity during the Holding Period contained the agreement referenced in 4 above.]]

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

By: \_\_\_\_\_

Its: \_\_\_\_\_

EXHIBIT A – [*same as in Bond Purchase Agreement*]  
ATTACHMENT 1 - Initial Offering Price Documentation  
[Attach Pricing Wire or Other Offering Price Documentation]



EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

## PRELIMINARY OFFICIAL STATEMENT DATED [\_\_\_\_], 2025

## NEW ISSUE—Book-Entry-Only Form

Ratings: [Moody's] "[\_\_\_\_]"  
[Fitch] "[\_\_\_\_]"  
(See "BOND RATINGS" herein.)

*In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2025 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that interest on the Series 2025 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.*

**[\$[PAR]\*  
CITY OF SOUTH JORDAN, UTAH  
WATER REVENUE BONDS,  
SERIES 2025**

Dated: Date of Initial Delivery

Due: November 1, as shown on the inside cover

The \$[PAR]\* Water Revenue Bonds, Series 2025 are issued as fully registered bonds, and when initially issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2025 Bonds. Purchases of Series 2025 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Owners of the Series 2025 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2025 Bonds. Interest on the Series 2025 Bonds is payable on May 1 and November 1 of each year, commencing [November 1, 2026], by U.S. Bank Trust Company, National Association, as Paying Agent, all as more fully described herein. Payment of the principal of and interest on such Series 2025 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "THE SERIES 2025 BONDS—Book-Entry Only System" herein.

The Series 2025 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See "THE SERIES 2025 BONDS—Redemption Provisions" herein.

The proceeds of the Series 2025 Bonds will be used by the City for the purpose of (a) financing improvements to the City's water system and (b) paying costs of issuance of the Series 2025 Bonds.

**The Series 2025 Bonds are special limited obligations of the City, payable solely from certain net revenues of the City as described herein, moneys, securities and certain funds and accounts pledged therefor in the Indenture between the City and U.S. Bank Trust Company, National Association, as Trustee. The Series 2025 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State of Utah or any other agency or other political subdivision or entity of the State of Utah. The City will not mortgage or grant any security interest in the improvements refinanced with the proceeds of the Series 2025 Bonds or any portion thereof to secure payment of the Series 2025 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.**

The Series 2025 Bonds are offered when, as and if issued by the City and subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Ryan W. Loose, Esq., City Attorney. It is expected that the Series 2025 Bonds, in book-entry-only form, will be available for delivery to DTC or its agent on or about [October 9], 2025.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined shall have the meanings assigned to such terms in the body of this Official Statement. This Official Statement is dated [\_\_\_\_], 2025, and the information contained herein speaks only as of that date.

**STIFEL**

\* Preliminary; subject to change.

**\$[PAR]\***  
**CITY OF SOUTH JORDAN, UTAH**  
**WATER REVENUE BONDS,**  
**SERIES 2025**

**MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS**

Due ( <u>November 1</u> )	Principal <u>Amount</u> *	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ** 83854P
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[\$ \_\_\_\_\_ % Term Bond Due November 1, 20 \_\_\_\_; Price \_\_\_\_%; CUSIP No. 83854P \_\_\_\_\*\*]

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\* Preliminary; subject to change.

\*\* The above-referenced CUSIP number(s) have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2025 Bonds. None of the City, the Trustee or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the particular Series 2025 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025 Bond as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

The information set forth herein has been obtained from the City, DTC, and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City, or in any other information contained herein since the date hereof.

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

All inquiries relating to this Official Statement and the offering contemplated herein should be directed to the Underwriter. Prospective investors may obtain additional information from the Underwriter or the City which they may reasonably require in connection with the decision to purchase any of the Series 2025 Bonds from the Underwriter.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Forward-looking statements are included in the Official Statement under the captions “INTRODUCTION,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” “ESTIMATED SOURCES AND USES OF FUNDS,” “FINANCIAL INFORMATION REGARDING THE CITY,” “HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE,” and “RISK FACTORS.” The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

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

The yields at which the Series 2025 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In connection with this offering, the Underwriter may engage in transactions that stabilize, maintain or otherwise affect market prices of the Series 2025 Bonds. Such transactions, if commenced, may be discontinued at any time.

**THE SERIES 2025 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE SERIES 2025 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2025 Bonds.

**\$(PAR)\***  
**CITY OF SOUTH JORDAN, UTAH**  
**WATER REVENUE BONDS,**  
**SERIES 2025**

**1600 West Towne Center**  
**South Jordan, Utah 84095**  
**(801) 254-3472**

**CITY COUNCIL**

Mayor .....	Dawn R. Ramsey
Councilmember .....	Patrick Harris
Councilmember .....	Kathie Johnson
Councilmember .....	Jason T. McGuire
Councilmember .....	Donald Shelton
Councilmember .....	Tamara Zander

**CITY ADMINISTRATION**

City Manager .....	Dustin Lewis
Chief Financial Officer .....	Sunil K. Naidu
City Attorney .....	Ryan W. Loose
City Recorder .....	Anna Crookston
Public Works Director .....	Ray Garrison

**TRUSTEE, PAYING AGENT, AND REGISTRAR**

U.S. Bank Trust Company, National Association  
170 South Main Street, Suite 200  
Salt Lake City, Utah 84101  
(801) 534-6051

**MUNICIPAL ADVISOR**

LRB Public Finance Advisors, Inc.  
41 North Rio Grande, Suite 101  
Salt Lake City, Utah 84101  
(801) 596-0700

**BOND AND DISCLOSURE COUNSEL**

Gilmore & Bell, P.C.  
15 West South Temple, Suite 1400  
Salt Lake City, Utah 84101  
(801) 364-5080

**UNDERWRITER**

Stifel, Nicolaus & Company, Incorporated  
15 West South Temple, Suite 1090  
Salt Lake City, Utah 84101  
(385) 799-7231

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\* Preliminary; subject to change.

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**OFFICIAL STATEMENT**  
**RELATING TO**  
**\$[PAR]\***  
**CITY OF SOUTH JORDAN, UTAH**  
**WATER REVENUE BONDS,**  
**SERIES 2025**

**INTRODUCTION**

This Official Statement, including the cover page, introduction, and appendices, provides information in connection with the issuance and sale by the City of South Jordan, Utah (the “City”) of its \$[PAR]\* Water Revenue Bonds, Series 2025 (the “Series 2025 Bonds”), initially issued in book-entry form only. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2025 Bonds to potential investors is made only by means of the entire Official Statement.

See also the following appendices attached hereto: APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024; APPENDIX B—FORM OF GENERAL INDENTURE; APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY; APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING; APPENDIX E—FORM OF OPINION OF BOND COUNSEL; and APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM.

**The City**

The City, incorporated in 1935, covers an area of approximately 25.74 square miles and is located in the southwest portion of Salt Lake County, Utah (the “County”). The U.S. Census Bureau estimated the City’s 2024 population as 86,156. For additional information regarding the City, see “THE CITY”; “FINANCIAL INFORMATION REGARDING THE CITY”; “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024”; and “APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY” herein.

**Authorization and Purpose of the Bonds**

The Series 2025 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), and other applicable provisions of law; (ii) a resolution adopted by the City Council of the City (the “City Council”) on [August 5, 2025] (the “Resolution”); and (iii) a General Indenture of Trust dated as of [October 1], 2025 (the “General Indenture”), as supplemented by a First Supplemental Indenture of Trust dated as of [October 1], 2025 (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”) each by and between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The proceeds from the sale of the Series 2025 Bonds will be used by the City (a) to finance all or a portion of improvements to the System including, but not limited to, (i) a water tank to help meet current demand and support future growth on the west side of the City, (ii) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (iii) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the City and the Public Works Department, and related improvements (collectively, the “Series 2025 Project”) and (b) to pay costs of issuance of the Series 2025 Bonds. See “SERIES 2025 PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

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\* Preliminary; subject to change.

## **Security and Source of Payment**

The Bonds (as hereinafter defined), including the Series 2025 Bonds, are payable from and secured solely by a pledge and assignment of the Net Revenues from the City's water system (the "System"), Other Available Funds (as hereinafter defined), and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture. The Revenues of the System will be applied to pay the Operation and Maintenance Expenses of the System before being applied to pay principal of and interest on the Bonds. The Series 2025 Bonds are limited obligations of the City, payable solely from the Net Revenues of the System, as described herein. The Series 2025 Bonds are not general obligations of the City or the State of Utah (the "State") or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2025 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2025 Bonds. The City will not mortgage or grant a security interest in the System or any portion thereof to secure payment of the Series 2025 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

## **Initial Bonds; Additional Bonds**

The Series 2025 Bonds are the initial Series of Bonds to be issued under the General Indenture. The City may issue Additional Bonds payable on a parity with the Series 2025 Bonds upon complying with certain requirements set forth in the Indenture. Such Additional Bonds, together with the Series 2025 Bonds are sometimes collectively referred to herein as the "Bonds." See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds" herein. The City does not currently plan to issue any Additional Bonds within the next three years but reserves the right to do so as its capital needs require.

## **Redemption Provisions**

The Series 2025 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See "THE SERIES 2025 BONDS—Redemption" herein.

## **Registration, Denominations and Manner of Payment**

The Series 2025 Bonds are issuable only as fully registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2025 Bonds. Purchases of Series 2025 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Series 2025 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2025 Bonds.

Principal of and interest on the Series 2025 Bonds (interest payable May 1 and November 1 of each year, commencing [November 1, 2026]) are payable by U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), to the registered owners of the Series 2025 Bonds. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the Beneficial Owners of the Series 2025 Bonds, as described under "THE SERIES 2025 BONDS—Book-Entry-Only System" herein.

## **Tax Status**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel notes that interest on the Series 2025 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2025 Bonds is exempt from State of Utah individual income taxes. Bond Counsel expresses no



opinion regarding any other tax consequences relating to ownership or disposition of or accrual or receipt of interest on the Series 2025 Bonds. See “TAX MATTERS” in this Official Statement.

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

The Series 2025 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Ryan W. Loose, Esq., City Attorney. It is expected that the Series 2025 Bonds will be available for delivery in Salt Lake City, Utah, for deposit with DTC or one of its agents, on or about [October 9], 2025.

### **Basic Documentation**

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City, the Series 2025 Bonds, and the Indenture are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, and references herein to the Series 2025 Bonds are qualified in their entirety by reference to the forms thereof included in the Indenture and the information with respect thereto included in the aforementioned document, copies of which are available for inspection at the principal office of the Trustee on or after the delivery of the Series 2025 Bonds. Descriptions of the Indenture and the Series 2025 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. During the period of the offering of the Series 2025 Bonds, copies of the preliminary forms of any of the aforementioned documents will be available from the “contact persons” as indicated below. Also see “APPENDIX B—FORM OF GENERAL INDENTURE” attached hereto. The “basic documentation” which includes the Resolution, the Indenture and other documentation, authorizing the issuance of the Series 2025 Bonds and establishing the rights and responsibilities of the City and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

### **Contact Persons**

The chief contacts for the City concerning the Series 2025 Bonds are:

Sunil K. Naidu, Chief Financial Officer  
City of South Jordan  
1600 West Towne Center Drive  
South Jordan, Utah 84095  
(801) 254-3742  
snaidu@sjc.utah.gov

Additional requests for information may be directed to the City’s municipal advisor:

Laura D. Lewis, Principal  
LRB Public Finance Advisors, Inc.  
41 North Rio Grande, Suite 101  
Salt Lake City, Utah 84101  
(801) 596-0700  
laura@lrb.com

## THE SERIES 2025 BONDS

### General

The Series 2025 Bonds are dated the date of their initial delivery and except as otherwise provided in the Indenture, shall bear interest from said date. Interest on the Series 2025 Bonds will be payable semiannually on May 1 and November 1 of each year, commencing [November 1, 2026]. The Series 2025 Bonds are issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof.

The Series 2025 Bonds shall bear interest at the rates and shall mature in each of the years as described on the inside cover page hereof. Interest on the Series 2025 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2025 Bonds will be payable by check or draft mailed by the Trustee to the registered owner thereof (initially DTC) as of the Regular Record Date. Principal of and premium, if any, on the Series 2025 Bonds will be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association, Salt Lake City, Utah, as Trustee and Paying Agent, or its successor upon presentation of the Series 2025 Bonds by the registered owners or their duly authorized agents on or after the date of maturity or redemption.

*The Series 2025 Bonds are limited obligations of the City, payable solely from the Net Revenues of the System, as described herein. The Series 2025 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in the System or any portion thereof to secure payment of the Series 2025 Bonds. See "SECURITY FOR THE BONDS" herein.*

### Redemption Provisions

Optional Redemption. The Series 2025 Bonds maturing on or prior to November 1, 20\_\_\_\_, are not subject to redemption prior to maturity. The Series 2025 Bonds maturing on or after November 1, 20\_\_\_\_, are subject to redemption prior to maturity at the option of the City in whole or in part on any Business Day on and after November 1, 20\_\_\_\_, at the redemption price of 100% of the principal amount of the Series 2025 Bonds to be redeemed plus accrued interest to the date of redemption (but without premium).

[Mandatory Sinking Fund Redemption. The Series 2025 Bonds maturing on November 1, 20\_\_\_\_, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund  
Redemption Date  
(November 1)

Mandatory Sinking Fund  
Redemption Amount

---

\* Final Maturity Date

Upon redemption of any Series 2025 Bonds maturing on November 1, 20\_\_\_\_ other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2025 Bonds maturing on November 1, 20\_\_\_\_, in such order of mandatory sinking fund date as shall be directed by the City.]

Notice of Redemption. In the event any of the Series 2025 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2025 Bonds to be redeemed will be given by the Trustee, by mailing a copy of the redemption notice by registered or certified mail not less than 30 nor more than 60 days prior to the date fixed for

redemption to the Registered Owner of each Series 2025 Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Series 2025 Bond with respect to which no such failure has occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. After the notice shall have been given, the City shall deposit with, or otherwise make available to, the Trustee the funds required for the redemption of the Series 2025 Bonds to be redeemed, including accrued interest to the redemption date, at least five days before the date fixed for such redemption. All Series 2025 Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit with the Trustee at that time.

If at the time of mailing of any notice of redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Series 2025 Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business five days prior to the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

**Selection for Redemption.** If fewer than all the Series 2025 Bonds are to be redeemed, the particular Series 2025 Bonds or portions of Series 2025 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. In case any Series 2025 Bond shall be redeemed in part only, upon the presentation of such Series 2025 Bond for such partial redemption the City shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the City, a Bond or Bonds of the same series, interest rate, and maturity, in aggregate principal amount equal to the unredeemed portion of such Series 2025 Bond. The portion of any Series 2025 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof and in selecting portions of such Series 2025 Bonds for redemption, each such Series 2025 Bond shall be treated as representing that number of Series 2025 Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Series 2025 Bonds by \$5,000.

### **Book-Entry-Only System**

The Series 2025 Bonds originally will be issued solely in book-entry form to DTC or its nominee, Cede & Co., to be held in DTC's book-entry system. So long as such Series 2025 Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or Holder of such Series 2025 Bonds for all purposes of the Indenture, the Series 2025 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series 2025 Bonds may be made in denominations described above. For a description of the book-entry-only system for the Series 2025 Bonds, see "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM."

### **Registration, Transfer and Exchange**

In the event that the book-entry-only system has been terminated, the Series 2025 Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Bondowner or his duly authorized attorney, may be exchanged for an equal aggregate principal amount of Series 2025 Bonds of the same series, designation, interest rate, and maturity and of any other authorized denominations.

For every such exchange or transfer of the Series 2025 Bonds, the Trustee may make a charge sufficient to reimburse it for any tax or governmental charge required to be paid with respect to such exchange or transfer of the Series 2025 Bonds, but may impose no other charge therefor.

The City and the Trustee shall not be required to issue, transfer, or exchange any Series 2025 Bond after the Regular Record Date with respect to any redemption of such Series 2025 Bond or during a period from and including any Regular Record Date with respect to any interest payment date to and including such interest payment date. The Regular Record Date, for each Interest Payment Date, is the fifteenth day immediately preceding each interest payment date and if such date is not a Business Day, the next preceding day which is a Business Day.

## **SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

### **General**

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

### **No Debt Service Reserve Requirement**

The Indenture establishes a Debt Service Reserve Fund with respect to Bonds issued under the Indenture. There is no Debt Service Reserve Requirement for the Series 2025 Bonds and no subaccount in the Debt Service Reserve Fund will be funded for the Series 2025 Bonds.

### **Rate Covenant**

The City covenants in the Indenture that while any of the principal and interest payments on the Bonds are outstanding, or any Reserve Instrument Repayment Obligations are outstanding, for all services supplied by the System to the City and to its inhabitants and to all customers of the City with respect to the System within or without the boundaries of the City will be sufficient (i) to pay the System's Operation and Maintenance Expenses and (ii) to provide Net Revenues for each Bond Fund Year which when added to the Other Available Funds for such year shall equal not less than 125% of the Aggregate Annual Debt Service Requirement for such year; plus an amount sufficient to fund the Debt Service Reserve Fund for the Bonds in the time, rate and manner specified in the Indenture; provided that such rates must be reasonable rates for the type, kind, and character of the services rendered. The City agrees that should its annual financial statement made in accordance with the provisions of the Indenture disclose that during the period covered by such financial statement the Net Revenues and Other Available Funds were not at least equal to the above requirement, the City shall request that a Qualified Engineer, independent accountant, or other independent financial consultant make recommendations as to the revision of the rates, charges and fees and that the City on the basis of such recommendations will revise the schedule of rates, charges and fees insofar as is practicable and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues and Other Available Funds as required in the Indenture.

### **Additional Bonds**

No additional indebtedness, bonds or notes of the City payable on a priority to the pledge of Net Revenues for the payment of the Series 2025 Bonds shall be created or incurred without the prior written consent of the owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, bonds or notes of the City payable on a parity with the Series 2025 Bonds and the Outstanding Bonds out of Net Revenues shall be created or incurred, unless the following requirements have been met:

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

(b) A certificate shall be delivered to the Trustee by the City to the effect that the Net Revenues plus Other Available Funds for any Year, for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds outstanding for said Year; provided, however, that such Net Revenue coverage test set forth above in this subsection (b) shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the

Indenture, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith, and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

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

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

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

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

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

For purposes of issuing Additional Bonds, "Estimated Net Revenues" shall be determined by the City as follows:

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

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

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

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

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

Under the Indenture, "Other Available Funds" means for any year the amount available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund, as designated by the City.

*There are currently no outstanding bonds payable from Net Revenues. The City does not anticipate issuing any series of Additional Bonds during the next three years to finance the costs of capital improvements to the System, but reserves the right to do so.*

### **SERIES 2025 PROJECT**

A portion of the proceeds from the Series 2025 Bonds will be used to finance all or a portion of improvements to the City's water system including, but not limited to, (i) an 8.4-million gallon water tank to help meet current demand and support future growth on the west side of the City, (ii) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (iii) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the City and the Public Works Department, and related improvements.

### **ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds for the Series 2025 Bonds are as follows:

#### **Sources of Funds**

Par Amount of Series 2025 Bonds .....	\$
[Net] Original Issue Premium .....	
Total .....	<u>\$</u>

#### **Uses of Funds**

[Deposit to Construction/Acquisition Account] .....	\$
Costs of Issuance <sup>(1)</sup> .....	
Total .....	<u>\$</u>

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<sup>(1)</sup> Includes municipal advisor fees, legal, rating agency, Trustee fees, underwriting discount and other costs and expenses related to the issuance of the Series 2025 Bonds.

### DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2025 Bonds. Figures are rounded to the nearest dollar.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Fiscal Year Total</u>
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<sup>(1)</sup> Note: Totals may not add due to rounding.  
(Source: The Municipal Advisor.)

## THE SYSTEM

The System is comprised of culinary water facilities and secondary water facilities. The oldest portions of the System are approximately 24 years old. The System serves its customers through approximately 24,489 culinary water connections and 3,769 secondary water connections.

### General–Culinary Facilities

The portion of the System which provides culinary water service to the residents of the City (the “Culinary Facilities”) contains approximately 477 miles of culinary water lines and 189 miles of secondary water lines. The City purchases 100% of its culinary water from the Jordan Valley Water Conservancy District (the “Conservancy District”). The City receives its culinary water from the Conservancy District through 18 delivery points. The Culinary Facilities include eight pressure zones at present, with elevation potential to add an additional zone that is gravity fed. The Culinary Facilities also include nine storage tanks that have an aggregate storage capacity of 38.6 million gallons. The City plans to build an additional storage tank that will add 8.4 million gallons of storage capacity to the Culinary Facilities (the construction start date of this tank has not yet been determined).

### The Water Purchase Agreement for Culinary Water

The City receives 100% of its culinary water from the Conservancy District pursuant to a Water Purchase Agreement, as amended (the “Water Purchase Agreement”), between the City and the Conservancy District. Pursuant to the Water Purchase Agreement the Conservancy District agrees to sell and deliver and the City agrees to annually buy the amounts of water set forth below:

<u>Year</u>	<u>Minimum Amount (Acre Feet)</u>
2025	18,000
2024	17,166
2023	16,333*
2022	18,000
2021	14,200
2020	14,200
2019	14,200
2018	14,200
2017	14,200
2016	11,903
2015	11,903

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\* The Conservancy District permitted the City to adjust the minimum contract in fiscal year 2023 to match decreased usage from weather and drought conditions.

The Conservancy District must deliver the minimum amounts set forth above and the City has the right to purchase more water than the volume amounts set forth above. However, the City cannot increase its annual demand above the allocated amount by more than twenty percent of the City’s allocation annually, without first receiving the Conservancy District’s express consent.

The City pays an average of \$597.00 per acre-foot of water. All amounts are billed monthly and are due within 30 days. The Water Purchase Agreement is perpetual in nature although the parties thereto have the right to mutually modify or cancel the Water Purchase Agreement at any time.



The following table sets forth the amount of culinary water purchased from the Conservancy District and the amount paid to the Conservancy District for the years shown:

<u>Calendar Year</u>	<u>Water Purchases (acre-feet)</u>	<u>Cost of Purchased Water</u>
2024	18,291	\$11,055,701
2023	16,372	9,408,052
2022	16,535	8,430,556
2021	16,423	9,462,270
2020	19,078	10,111,445
2019	15,175	8,007,924
2018	16,729	8,845,906
2017	15,157	8,062,280
2016	15,089	7,778,001
2015	14,003	6,846,011

The Conservancy District has always met the water demands of the City and has never failed to deliver water when requested by the City.

The Conservancy District is one the largest municipal water district in the State of Utah by volume of water delivered and operates primarily as a wholesale provider of water to 19 customer agencies that include various cities, water companies and improvement districts that serve a population of approximately 900,000 persons. Approximately 90% of the water delivered by the Conservancy District in fiscal year 2024 was sold to its wholesale customers. The Conservancy District also supplies water on a retail basis to approximately 45,000 persons through approximately 8,500 service connections, primarily in unincorporated areas of Salt Lake County.

The Conservancy District and its wholesale customers provide water utility service to the majority of the residents of Salt Lake County, the most populous county in the State of Utah. The Conservancy District operates its water utility system with a high degree of coordination with the water utilities operated by its wholesale customers, as well as those of Salt Lake City and the Metropolitan Water District of Salt Lake City (the “Metropolitan District”), which provides wholesale water supplies to Salt Lake City and Sandy City. The Conservancy District also plays an important role in water resource planning, development and management within the Salt Lake County area.

The Conservancy District derives its water supply from (1) various property rights in ground and surface water sources, (2) contractual rights to the water made available by the Central Utah Project and certain other water storage projects, primarily from the Jordanelle and Deer Creek Reservoirs and (3) purchases from time to time of water supplies made available by various entities such as the Metropolitan District. The Conservancy District’s property rights and contractual rights provide specified annual quantities of water, subject to sufficient water being available.

### **Unaccounted Culinary Water**

The table below shows the annual percentage of produced culinary water in the System that fails to reach customers and cannot otherwise be accounted for through authorized usage. Such “unaccounted water” is the difference between the volume of culinary water distributed for use by customers and the volume of water actually billed. Such unaccounted water is primarily attributed to leakage, metering inaccuracies, and unauthorized consumption. As discussed in the following section “Investment in System Integrity,” the City has invested in upgrades to meter network to reduce the amount of unaccounted water in the System.

<u>Calendar Year</u>	<u>% Unaccounted Water</u>
2024	2.1%
2023	6.9
2022	8.0
2021	3.8
2020	4.9
2019	2.4
2018	3.2
2017	2.6
2016	5.9
2015	2.5
<i>Average:</i>	<i>4.2%</i>

### **Investment in System Integrity**

In 2014 the City funded and installed the first phase of its culinary water meter reading fixed network. This new meter reading technology upgrade allows for near real-time monitoring of culinary water consumption for each meter in the System. Additionally, the technology allows for System operators to receive autonomous notifications of leaks in the Culinary Facilities, both in the City’s System and in customer systems; meter tampering events where System customers attempt to remove a meter to obtain “free” water; and notification when a customer turns on a water service that has been turned off and locked out for non-payment. Before the fixed network system was implemented, catching these events took months. Now, City staff are notified within 24 hours of such an event and measures are taken to remedy these types of issues. Use of this technology has resulted in enhanced revenue protection. In early 2017, the final phase of the fixed network system installation was completed. All City culinary water residential customers are now on the fixed network system. The City has also added a new full-time employee to monitor the System daily and meet with affected residents so leaks can be fixed quickly.

### **General–Secondary Facilities**

The portion of the System which provides secondary water service to the residents of the City (the “Secondary Facilities”) contains approximately 189 miles of secondary water lines. Secondary water is distributed through the System in one of two ways: (i) a pump station which supplies secondary water to 421 homes (one home is equal to an equivalent residential unit (“ERU”)) or (ii) a gravity feed system which supplies secondary water to approximately 4,187 homes throughout the City. Secondary water connections are currently available to approximately 5% of the residents of the City. The City requires developers to install secondary water facilities to new developments if related feasibility studies are favorable. The City has also installed secondary water to nine City parks.

## Sources and Supplies of Secondary Water

The City receives its secondary water through the following seven canals (the “Canals”) that extend throughout the boundaries of the City: (i) Welby Jacob Canal, (ii) Utah Lake Distributing Canal, (iii) Utah and Salt Lake Canal, (iv) South Jordan Canal, (v) Beckstead Canal, (vi) Brighton and North Point Canal, and (vii) Daybreak Secondary Water. The City owns the following amount of shares in each Canal:

<u>Canals</u>	<u>Shares</u>
Welby Jacob Canal	2,387
Utah Lake Distributing Canal	733
Utah and Salt Lake Canal	777
South Jordan Canal	762
Beckstead Canal	302
Brighton and North Point Canal	*
Daybreak Secondary Water	<u>486</u>
Total shares owned	<u>5,447</u>

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\* In fiscal year 2018, the City transferred water shares into a separate water right equivalent to 750 shares of 429.3 acres of irrigation.

The secondary water shares described above represent approximately 16,954 acre-feet of water. Of that amount, the City sells approximately 6,253 acre-feet. Because the City’s ownership of secondary water shares exceeds the demand for such water, the City leases excess shares to individuals for agricultural or outdoor watering purposes.

Because the City imports 100% of its drinking water, it has sought additional sources to meet future needs. The City has determined that water reuse could be a viable water resource with appropriate treatment. After extensive research, the City constructed and now operates a water demonstration treatment plant which treats effluent water to drinking water standards. This treatment process is the first of its kind in the State and one of the few in the United States. The City is piloting this process as part of its goal to find an alternative culinary water source for the City, while paving the way for many others in the State as an additional water source. After gathering data for a year, the State Division of Drinking Water Quality provided the taste testing operating permit for the treatment process. The City continues to gather data and has commissioned a feasibility study for a full-scale treatment plant.

The City’s Secondary Water Master Plan indicates that the City has sufficient supplies of water from its existing shares and through its contractual arrangements to provide water to its residents through the build-out of the City.

## Water Rights, Licenses, Permits, Approvals and Environmental Considerations

The City has obtained all necessary state and local licenses, permits and approvals to operate the Culinary and Secondary Facilities of the System.

## Environmental Matters

The System is currently in compliance with the provisions of all environmental laws and regulations applicable to its operations, including, but not limited to, the Safe Drinking Water Act, as amended, and the Utah Safe Drinking Water Act and laws and regulations applicable to disposal of solid and hazardous waste. The System also is in compliance with all environmental, health and safety laws and regulations applicable to the use and disposal of chemicals used by the System to make water drinkable.

## Water Connections

The following table shows the amount of water connections for the years shown:

<u>Fiscal Year</u>	<u>Total Secondary Connections</u>	<u>Total Culinary Connections Residential</u>	<u>Total Culinary Connections Commercial</u>
2025	3,769	25,708	990
2024	3,665	25,126	964
2023	3,674	24,689	923
2022	3,780	24,157	885
2021	3,725	23,183	849
2020	3,702	21,909	814
2019	3,639	20,426	770
2018	3,591	20,224	717
2017	3,509	19,260	670
2016	3,509	18,545	622

## Major Water Users

The major users of the System for the fiscal year ended June 30, 2024 are set forth in the following table.

<u>Entity</u>	<u>Gallons in Thousands</u>	<u>Percent of Total Usage</u>
The City	219,253	3.63%
Jordan School District	137,241	2.27
Daybreak Community Association	93,476	1.55
South Jordan FM Group	59,221	0.98
Merit Medical System	55,304	0.92
Essential Elements Enterprises, LLC	44,110	0.73
eBay, Inc.	43,781	0.72
USU Bastian Agriculture Center	31,873	0.53
Summerlane HOA	28,890	0.48
AMG HB Daybreak Venture LLC	<u>27,218</u>	<u>0.45</u>
Total	<u>740,367</u>	<u>12.26</u>

## System Rates

**Culinary Water.** The City has full and independent power, as granted by State law, to establish revenue levels and rate design for water service provided by the City. The City is not subject to rate regulation by any state or federal regulatory body, and is empowered to set rates effective at any time. The City bases its water rates on the nature of use of the water by the customer. The City's water rate schedule is described below. The City's last water utility rate study was completed in October 2024.

### Culinary Water Rates

#### Base Rates

<u>Connection Size</u>	<u>Base Fee Multiplier</u>	<u>Base Rate</u>
3/4"	(base fee)	\$30.00
1"	\$1.09	32.70
1 1/2"	1.12	33.60
2"	1.23	36.90
3"	1.82	54.60
4"	2.47	74.10
6"	4.27	128.10
8"	6.60	198.00
10"	8.00	240.00

## Volumetric Water Rates

<i>Single Family Connection</i>					
Meter Size	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	<u>\$2.21 per Gallon</u>	<u>\$2.49 per Gallon</u>	<u>\$2.77 per Gallon</u>	<u>\$3.05 per Gallon</u>	<u>\$3.32 per Gallon</u>
3/4"	Less than 6,000	6,001 - 17,000	17,001-42,000	42,001-74,000	74,001 +
1"	Less than 7,000	7,001 - 19,000	19,001-46,000	46,001-81,000	81,001 +

  

<i>Non-Single-Family Connection</i>					
Meter Size	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
	<u>\$2.21 per Gallon</u>	<u>\$2.49 per Gallon</u>	<u>\$2.77 per Gallon</u>	<u>\$3.05 per Gallon</u>	<u>\$3.32 per Gallon</u>
3/4"	Less than 12,000	12,001 - 34,000	34,001-84,000	84,001-148,000	148,001 +
1"	Less than 14,000	14,001 - 38,000	38,001-92,000	92,001-162,000	162,001 +
1 1/2"	Less than 24,000	24,001 - 68,000	68,001-168,000	168,001-296,000	296,001 +
2"	Less than 48,000	48,001 - 136,000	136,001-336,000	336,001-592,000	592,001 +
3"	Less than 90,000	90,001 - 225,000	225,001-630,000	630,001-1,110,000	1,110,001 +
4"	Less than 150,000	150,001 - 425,000	425,001-1,050,000	1,050,001-1,185,000	1,185,001 +
6"	Less than 336,000	336,001 - 952,000	952,001-2,352,000	2,352,001-4,144,000	4,144,001 +
8"	Less than 576,000	576,001 - 1,632,000	1,632,001-4,032,000	4,032,001-7,104,000	7,104,001 +
10"	Less than 720,000	720,001 - 2,040,000	2,040,001-5,040,000	5,040,001-8,880,000	8,880,001 +

**Fire Hydrant:** A meter will be supplied by the City upon receipt of a \$2,900 meter deposit. The water user will be charged at the rate of \$4.45 per 1,000 gallons of metered water taken through a fire hydrant. No fire department will be charged for water taken in furtherance of efforts to protect persons or property or to otherwise carry out normal operations of the fire department.

For culinary water service, the City also charges (i) a new service fee of \$17.00 (or a transfer of service fee of \$12.00) for initial connection to the System and (ii) an impact fee for customers connecting to the System. The following table shows the impact fees charged by the City for culinary water service.

### Culinary Water Service–Impact Fees

<u>Connection Size</u> <sup>(1)</sup>	<u>Current Fees</u>
¾-inch	\$3,107.68
1-inch	5,189.82
1-1/2-inch	10,348.56
2-inch	16,563.91
3-inch	33,158.91
4-inch	51,804.96
6-inch	103,578.85
8-inch	165,732.38

<sup>(1)</sup> Meter size must match connection size.

**Secondary Water.** Secondary water customers are billed monthly at \$19.00 per month for unlimited usage, with an additional \$6.00 per month charged for those customers with pressurized secondary water service.

### Connection and Enforcement of Rates and Charges

The City has adopted rules and regulations (the “City Regulations”) which require mandatory connection to the Culinary Facilities by the owner of any property used for human occupancy, employment, recreation or other purposes which is situated within the City’s boundaries. Customers are not forced to connect to the Secondary Facilities; however, all customers are charged the monthly service fee for secondary water. The City also requires the

construction of appropriate water facilities by residential developers. The City has also adopted a disconnection policy for nonpayment of bills for water services.

Pursuant to the City's mandatory connection policy, connection to the Culinary Facilities is required within thirty days after the notification period. In the event connection is not made within thirty days, the impact fee is due and payable as if the connection had been made.

Except for certain facilities of the City, all of the City's culinary water customers are metered. Meters are read monthly. Bills for service charges for both secondary and culinary water service are rendered monthly and are due when rendered.

Water bills are considered delinquent if unpaid for 60 days. Water bills that are 60 days overdue, and that are at least \$40 outstanding, will result in water service discontinuation. To re-establish service, the customer must pay the outstanding account in full, including a \$75 reconnection fee.

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## HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE

The following table sets forth certain historical and projected financial information with regard to the System for the fiscal years shown:

	-----Historical-----					-----Projected <sup>2</sup> -----					
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<i>Operational Revenues</i>											
Connection Fees & other non-user fee charges	\$756,789	\$933,427	\$766,252	\$580,634	\$532,960	\$548,949	\$565,417	\$582,380	\$599,851	\$617,847	\$636,382
User Fees and Charges <sup>1</sup>	21,903,952	23,378,291	21,046,332	22,037,676	23,722,534	24,434,210	25,167,236	25,922,253	26,699,921	27,500,919	28,325,946
Miscellaneous	30,458	222,126	910,565	2,642	12,327	12,697	13,078	13,470	13,874	14,290	14,719
Total Operational Revenues	22,691,199	24,533,844	22,723,149	22,620,952	24,267,821	24,995,856	25,745,731	26,518,103	27,313,646	28,133,056	28,977,047
<i>Operational Expenses</i>											
Costs of Services	12,497,789	14,204,082	12,583,058	12,947,740	14,395,800	14,827,674	15,272,504	15,730,679	16,202,600	16,688,678	17,189,338
General & Administrative	2,000,556	2,278,893	2,828,785	2,980,367	3,098,864	3,191,830	3,287,585	3,386,212	3,487,799	3,592,433	3,700,206
Total Operational Expenses	14,498,345	16,482,975	15,411,843	15,928,107	17,494,664	18,019,504	18,560,089	19,116,892	19,690,398	20,281,110	20,889,544
<i>Non-Operational Revenues &amp; Expenses</i>											
Water Impact Fee	792,786	1,266,987	614,612	440,216	384,870	856,620	725,000	725,000	725,000	725,000	725,000
Total Revenue Available For Debt Service	8,985,640	9,317,856	7,925,918	7,133,061	7,158,027	7,832,972	7,910,642	8,126,212	8,348,248	8,576,945	8,812,504
Total Revenue Available For Debt Service (w/o Impact Fees)	8,192,854	8,050,869	7,311,306	6,692,845	6,773,157	6,976,352	7,185,642	7,401,212	7,623,248	7,851,945	8,087,504
<i>Debt Service</i>											
Series 2009	907,729	911,538	908,029	907,435	909,580	—	—	—	—	—	—
Series 2017	2,480,225	2,436,975	2,210,350	2,214,800	2,224,250	—	—	—	—	—	—
Series 2025*	—	—	—	—	—	—	1,236,913	3,081,900	3,080,775	3,077,400	3,081,525
Total Debt Service	3,387,954	3,348,513	3,118,379	3,122,235	3,133,830	—	1,236,913	3,081,900	3,080,775	3,077,400	3,081,525
<b>Debt Service Coverage*</b>	<b>2.65</b>	<b>2.78</b>	<b>2.54</b>	<b>2.28</b>	<b>2.28</b>	—	<b>6.40</b>	<b>2.64</b>	<b>2.71</b>	<b>2.79</b>	<b>2.86</b>
<i>Debt Service Coverage (without Impact Fees)*</i>	2.42	2.40	2.34	2.14	2.16	—	5.81	2.40	2.47	2.55	2.62

1. Secondary water comprises approximately 3% of Revenues.

2. Revenues and Expenses projected at 3% increase per year.

\* Preliminary; subject to change.

(Source: The City and the Municipal Advisor.)

## THE CITY

### General Information

The City, incorporated in 1935, covers an area of approximately 25.74 square miles and is located in the southwest portion of the County. According to the U.S. Census Bureau, the City had an estimated 2024 population of 86,156 residents; the City estimates its current population to be 90,076. The City reports that it is approximately 54% “built out” based upon land use and that based upon current land use and amount of land area, the City will be able to accommodate a population of more than 166,400 persons.

The City is a suburb of metropolitan Salt Lake City within the County and is the fifth city in a line of eight cities located directly south of Salt Lake City along Interstate Highway I-15. These cities constitute a portion of a continuous area of development from the north end of the County through the City. The City is located approximately 15 miles south of metropolitan Salt Lake City and can best be characterized as residential/suburban with a mix of commercial, retail and light industrial businesses. Persons living within the boundaries of the City have the advantages of a smaller community in close proximity to the goods, services and educational, professional, and cultural opportunities of the larger metropolitan areas.

### Form of Government

The City is currently governed by a Mayor and City Council consisting of five persons, elected by district by voters in the City. A measure of continuity is provided in the City Council by the election of the council members to four-year overlapping terms. Duties of the council members include the responsibility for all City affairs in general. The City Council must approve and may revise the budget of any City department or elected official. The City Council serves as the legislative body of the City and appropriates funds for the various City functions. The City Council is the tax levying body, determining the necessary City property tax levy each year. The City Council also licenses and regulates businesses, exhibitions, and recreation within the City area. Other appointed officials are the City Manager, Chief Financial Officer, City Attorney, and City Recorder.

Current members of the City Council and other officers of the City and their respective terms in office are as follows:

<u>Office</u>	<u>Person</u>	<u>Years of Service</u>	<u>Expiration of Term</u>
Mayor	Dawn R. Ramsey	8	January 2026
Council Member	Patrick Harris	9	January 2028
Council Member	Kathie Johnson <sup>(1)</sup>	6	January 2028
Council Member	Jason T. McGuire	8	January 2026
Council Member	Donald Shelton	12	January 2026
Council Member	Tamara Zander	9	January 2028
City Manager	Dustin Lewis <sup>(2)</sup>	2	Appointed
City Attorney	Ryan W. Loose <sup>(3)</sup>	10	Appointed
Chief Financial Officer	Sunil K. Naidu <sup>(4)</sup>	15	Appointed
City Recorder	Anna Crookston	5	Appointed

<sup>(1)</sup> Years of service are non-consecutive.

<sup>(2)</sup> Mr. Lewis has a total of 19 years of service with the City in various positions.

<sup>(3)</sup> Mr. Loose has a total of 19 years of service with the City in various positions.

<sup>(4)</sup> Mr. Naidu has a total of 25 years of service with the City in various positions.

### Employee Workforce and Retirement System

The City currently employs approximately 455 full-time employees and approximately 169 part-time employees for a total employment of approximately 624 employees. The City is a member of the Utah State Retirement Systems and participates in a deferred compensation plan. See “APPENDIX A—AUDITED BASIC



### **No OPEB Liability**

The City does not have any other post-employment benefits liabilities.

### **Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City pays the first \$500,000 of each claim as its liability or high deductible. The Travelers' package liability policy takes over additional covered loss up to an aggregate per year of \$10,000,000 when considering both Primary and Umbrella policies. The City also purchases commercial insurance for risks or maintains the risk at the City level. Various additional policies are purchased through an insurance broker to cover theft, damages, and other exposures. A deductible applies to costs that the City pays in the event of any loss. The City also has a workers compensation policy. The City has not incurred a claim in excess of its coverage for any of the past four fiscal years.

### **Investment of Funds**

Investment of Operating Funds; The Utah Money Management Act. The Utah Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended (the “MM Act”) governs the investment of all public funds held by public treasurers in the State. It establishes criteria for investment of public funds with an emphasis on maintaining safety, liquidity, and yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The MM Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, approved government agency securities and investments in corporate securities carrying “top credit ratings.” The MM Act also provides for pre-qualification of broker dealers requiring that broker dealers must agree in writing to comply with the MM Act and certify that they have read and understand the MM Act. The MM Act establishes the Money Management Council (the “MM Council”) to exercise oversight of public deposits and investments. The law requires all securities to be delivered via payment to the Treasurer's safekeeping bank. It requires diversification of investments, especially in securities of corporate issuers. Not more than 5% of the portfolio may be invested with any one issuer. Investments in mortgage pools and mortgage derivatives or any security making unscheduled periodic principal payments are prohibited. The MM Act also defines the State's prudent investor rules. The MM Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all of the provisions of the MM Act for all City operating funds. Approximately 83% of City funds are invested in the Utah Public Treasurers' Investment Fund (“PTIF”), as discussed below.

The Utah Public Treasurers' Investment Fund. The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. The PTIF invests to ensure safety of principal, liquidity and a competitive rate of return. All moneys transferred to the PTIF are promptly invested in securities authorized by the MM Act. Safekeeping and audit controls for all investments owned by the PTIF must comply with the MM Act.

All investments in the PTIF must comply with the MM Act and rules of the MM Council. The PTIF invests only in securities authorized by the MM Act including time certificates of deposit, top-rated commercial paper and corporate notes, treasuries and certain agencies of the U.S. Government. The maximum weighted average adjusted life of the portfolio, by policy, is not to exceed 90 days. The maximum final maturity of any security purchased by the PTIF is limited to three years, except that a maximum maturity of five years is allowed for treasury or agency securities whose rate adjusts at least annually.

By law, investment transactions are conducted only through certified dealers, qualified depositories or directly with issuers of the securities. All securities purchased are delivered via payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned

by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the U.S. Government. These short-term securities must be rated “first tier” (“A1,” “P1,” for short-term investments and “A” or better for long-term investments) by two nationally recognized statistical rating organizations, one of which must be Moody’s or S&P. These securities represent limited risks to governmental institutions investing with the PTIF. Variable rate securities in the PTIF must have an index or rate formula that has a correlation of at least 94% of the effective Federal Funds rate.

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

See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024—Notes to Financial Statements—Note 4. – Cash, Cash Equivalents and Investments.”

### **Additional Information**

For additional information with respect to the City and its finances see “FINANCIAL INFORMATION REGARDING THE CITY,” “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024” and “APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY.”

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## DEBT STRUCTURE OF THE CITY

### Outstanding Municipal Indebtedness of the City

The following tables set forth the obligations of the City as of September 1, 2025.

#### OUTSTANDING WATER REVENUE BONDS<sup>(1)</sup>

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Principal Balance Outstanding</u>
2025	System Improvements	[PAR]*	[November 1, 20__]	[PAR]*
Total Outstanding Water Revenue Bonds .....				<u>\$(PAR)*</u>

<sup>(1)</sup> For purposes of this Official Statement, the Series 2025 Bonds will be considered issued and outstanding.  
\* Preliminary; subject to change.

#### OUTSTANDING SALES TAX REVENUE BONDS

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Principal Balance Outstanding</u>
2019	Refunding	\$15,130,000	August 15, 2039	\$10,980,000
2017	Public Structures/Refunding	21,155,000	August 15, 2039	<u>15,085,000</u>
Total Outstanding Sales Tax Bonds .....				<u>\$26,065,000</u>

Note: The City also has a contingent obligation from a subordinate pledge of the City's sales and use taxes in connection with the \$13,035,000 Redevelopment Agency of the City of South Jordan, Utah Subordinate Sales Tax and Tax Increment Revenue Bonds, Series 2015.

#### OUTSTANDING SPECIAL ASSESSMENT BONDS

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Principal Balance Outstanding</u>
2016	Daybreak No. 1	\$32,675,000	November 1, 2036	<u>\$15,510,000</u>
Total Outstanding Special Assessment Bonds .....				<u>\$15,510,000</u>

### No Defaulted Bonds

The City has never failed to pay principal and interest when due on any of its bonds, notes or other financial obligations.

### Future Debt Plans

The City does not have any current plans to issue Additional Bonds on a parity with the Series 2025 Bonds within the next three years, but reserves the right to do so as its capital needs require. The City currently has no plans to issue other bonds for capital projects but reserves the right to do so as capital needs require and in conformity with existing debt service coverage requirements.

## **Other Financial Considerations**

In fiscal year 2023, the City incurred a \$185,001 note payable to the Utah Risk Management Association (URMA). This payable is a result of insurance claims against the City. This note bears no interest. The City will owe half of the note payable in fiscal year 2025.

In fiscal year 2022, the City received a \$9.7 million Utah State Infrastructure Bank loan from the Utah Department of Transportation (UDOT). The proceeds of the loan were used to finance transportation infrastructure projects within the City. The loan was issued with a 1.69% interest rate and a 15-year term. Debt service on the loan is paid from funds received by the City from appropriations from the State for local transportation improvements. As of June 30, 2024, the amount of principal outstanding is \$8,529,197.

As of June 30, 2024, the City had nine active leases. The leases have payments that range from \$885 to \$59,878 and interest rates that range from 0.7270% to 2.2300%. As of June 30, 2024, the total combined value of the lease liability is \$201,447, the total combined value of the short-term lease liability is \$87,604.

See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024—Notes to Financial Statements—Note 8 – Leases – Lease Payables” and “— Note 9 – Long-Term Debt” herein.

## **FINANCIAL INFORMATION REGARDING THE CITY**

### **Five-Year Financial Summaries**

The following tables set forth a summary of certain financial information regarding the City and have been extracted from the City’s financial statements for the fiscal years shown. The following tables themselves have not been audited. The audited financial statements for the City’s fiscal year ended June 30, 2025, are not yet available; however, the City does not expect any materially adverse changes for fiscal year 2025 from the prior year.

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**CITY OF SOUTH JORDAN**  
**Statement of Net Position—Government and Business-Type Activities**  
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>					
<i>Current Assets:</i>					
Cash, Cash Equivalents & Investments	\$202,857,540	\$192,322,037	\$163,693,584	\$143,283,088	\$127,221,097
Restricted Cash	1,691,650	3,397,946	3,375,267	7,618,909	13,188,781
Receivables	59,560,008	59,792,084	62,310,464	55,325,414	58,324,068
Inventories	328,338	294,062	220,270	134,612	225,313
Investment in Joint Venture	25,419,201	24,321,812	8,746,257	—	—
Other Assets	—	—	—	4,879,751	4,294,964
Net Pension Asset	1,757,000	1,905,894	11,821,104	2,113,908	942,398
<i>Noncurrent Assets:</i>					
Capital Assets Net of Depreciation:					
Land	115,252,339	112,808,119	111,061,572	106,141,095	102,434,976
Water Shares	18,961,482	18,961,482	18,961,482	18,961,482	18,961,482
Buildings	33,061,895	34,334,290	37,829,447	26,675,218	28,296,580
Right-to-Use Building	43,324	101,089	158,855	—	—
Improvements	292,854,956	291,542,650	291,050,291	283,763,630	264,768,209
Machinery & Equipment	17,719,657	14,258,290	13,519,986	9,647,159	9,812,355
Right-to-Use Machinery & Equipment	139,100	233,723	104,363	—	—
Right-to-Use Subscription Asset	775,832	572,944	—	—	—
Construction in Progress	18,501,769	15,593,702	13,853,016	29,698,928	33,295,938
Right of Way	8,336,389	8,336,389	8,216,956	8,216,956	8,216,956
Total Assets	<u>797,260,480</u>	<u>778,776,513</u>	<u>744,922,914</u>	<u>696,460,150</u>	<u>669,983,117</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge on Refunding	—	135,505	239,076	342,648	446,220
Resources Related to Pensions	10,424,324	7,107,008	4,973,484	3,919,175	4,094,514
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts payable	10,095,504	6,362,445	5,372,434	7,971,997	8,451,320
Other Liabilities	9,005,153	9,740,224	8,079,862	7,734,934	7,824,843
Accrued Interest Payable	787,742	790,559	826,407	881,694	954,147
Current Portion of					
Long-Term Obligations	9,008,636	9,493,837	9,010,853	8,364,301	9,082,160
<i>Noncurrent Liabilities</i>					
Noncurrent Portion of					
Long-Term Obligations	64,384,062	70,289,653	76,035,400	75,705,745	83,884,603
Net Pension Liability	6,115,558	4,404,445	—	2,156,559	6,976,911
Total Liabilities	<u>99,396,655</u>	<u>101,081,163</u>	<u>99,324,956</u>	<u>102,815,230</u>	<u>117,173,984</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenue - Property Taxes	28,695,768	29,278,000	28,396,441	23,555,757	22,763,246
Deferred Revenue - Leases	1,193,066	1,301,227	1,254,533	—	—
Resources Related to Pensions	217,753	199,242	15,181,224	7,561,879	4,020,483
Total Deferred Inflows	<u>30,106,587</u>	<u>30,778,469</u>	<u>44,832,198</u>	<u>31,117,636</u>	<u>26,783,729</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	434,273,191	429,174,630	421,808,528	399,815,578	373,431,497
Restricted - Capital Improvement	14,731,492	14,436,730	18,434,693	8,026,269	7,768,107
Restricted - Transportation	7,940,089	16,965,126	14,600,963	2,581,007	1,459,955
Restricted - Construction	—	213	337	3,975,045	9,363,570
Restricted - Debt Service	1,691,650	3,397,733	3,374,930	3,643,864	3,825,211
Restricted - Public Safety	343,866	293,027	230,101	309,159	245,198
Restricted - Pension Assets	1,757,000	1,905,894	—	—	—
Restricted - Water Facility	826,613	826,613	—	—	—
Unrestricted	216,617,660	187,159,428	147,528,768	148,438,185	134,427,600
Total Net Position	<u>\$678,181,561</u>	<u>\$654,159,394</u>	<u>\$605,978,320</u>	<u>\$566,789,107</u>	<u>\$530,521,138</u>

(Source: Extracted from the City's audited financial statements fiscal years ended June 30, 2024-2020. This summary itself is unaudited.)

**CITY OF SOUTH JORDAN**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>					
Taxes	\$48,123,744	\$47,029,956	\$42,892,662	\$38,482,253	\$35,838,974
Licenses & Permits	2,392,468	2,505,814	4,539,974	5,469,655	4,033,362
Intergovernmental	260,397	236,206	3,023,401	5,217,305	5,214,383
Charges for Services	9,099,286	9,076,544	10,573,852	8,929,193	6,821,258
Fines & Forfeitures	493,325	477,892	489,175	510,318	454,674
Interest	6,079,109	3,856,428	(449,612)	468,954	1,104,320
Miscellaneous	<u>781,265</u>	<u>810,062</u>	<u>597,856</u>	<u>561,172</u>	<u>759,649</u>
Total Revenues	<u>67,229,593</u>	<u>63,992,902</u>	<u>61,667,308</u>	<u>59,638,850</u>	<u>54,226,620</u>
<b>EXPENDITURES</b>					
<i>Current</i>					
General Government	7,557,971	7,470,026	6,994,892	6,370,794	5,999,119
Administrative Services	5,969,402	5,795,034	6,046,338	9,820,160	9,619,581
Development Services	5,861,196	5,407,435	5,015,677	4,923,239	4,793,402
Public Works	9,899,931	9,145,282	7,399,485	4,244,654	6,210,776
Recreation	2,231,428	2,007,652	1,605,412	—	—
Public Safety	24,809,568	22,300,798	19,453,079	16,820,424	16,276,391
Capital Outlay and & Projects	32,322	462,297	232,404	282,860	411,627
Debt Service					
Principal	223,387	98,292	115,415	—	—
Interest	<u>24,192</u>	<u>2,030</u>	<u>2,004</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>56,609,398</u>	<u>52,688,846</u>	<u>46,864,706</u>	<u>42,462,131</u>	<u>43,310,896</u>
Excess Revenues Over Expenditures	<u>10,620,195</u>	<u>11,304,056</u>	<u>14,802,602</u>	<u>17,176,719</u>	<u>10,915,724</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Financing	—	182,289	349,677	—	—
Sale of Capital Assets	233,301	116,377	146,951	74,369	66,512
Transfers In	1,039,705	789,915	1,466,443	757,869	47,968
Transfers Out	<u>(9,166,944)</u>	<u>(10,413,753)</u>	<u>(13,407,260)</u>	<u>(18,615,759)</u>	<u>(7,477,839)</u>
Total Other Financing Sources (Uses)	<u>(7,893,938)</u>	<u>(9,325,172)</u>	<u>(11,444,189)</u>	<u>(17,783,521)</u>	<u>(7,363,359)</u>
Net Change in Fund Balances	2,726,257	1,978,884	3,358,413	(606,802)	3,552,365
Fund Balance - July 1 (Restated)	<u>17,912,685<sup>(a)</sup></u>	<u>17,049,088</u>	<u>13,690,675</u>	<u>14,297,477</u>	<u>10,745,112</u>
Fund Balance - June 30	<u>\$20,638,942</u>	<u>\$19,027,972</u>	<u>\$17,049,088</u>	<u>\$13,690,675</u>	<u>\$14,297,477</u>

(a) [Fiscal year 2023 Fund Balance was re-stated in fiscal year 2024 to account for implementation of GASB 101 relating to recognition of liabilities for compensated absences.]

(Source: Extracted from the City's audited financial statements fiscal years ended June 30, 2024-2020. This summary itself is unaudited.)

## **RISK FACTORS**

The purchase of the Series 2025 Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Series 2025 Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are described below; however, it is not intended to be a complete representation of all the possible risks involved.

### **The Series 2025 Bonds are Limited Obligations**

The Series 2025 Bonds are special limited obligations of the City, payable solely from the Revenues, moneys, securities and funds pledged therefor in the Indenture. The Series 2025 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in the improvements financed with the proceeds of the Series 2025 Bonds or any portion thereof to secure payment of the Series 2025 Bonds.

### **Climate Change**

Climate change caused by human activities may have adverse effects on the System. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the System is difficult to predict, but it could be significant and it could have a material adverse effect on the City's finances by requiring greater expenditures to counteract the effects of climate change or by changing the business and activities of City customers. The City considers the potential effects of climate change in its planning.

### **Cybersecurity**

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. At least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality. A cyberattack could cause the informational systems of the City, including those used in the operation of the System, to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidences and reputational damage. To date, the City has not been the subject of a materially successful cyberattack. The City believes it has made all reasonable efforts to put measures in place to prevent any such attack and that the information systems of the City are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the City's information systems or other challenges. The City has insurance coverage for cyber-liability.

## **LEGAL MATTERS**

### **General**

The authorization and issuance of the Series 2025 Bonds is subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Ryan W. Loose, Esq., City Attorney. The approving opinion of Bond Counsel will be delivered with the Series 2025 Bonds. A copy of the form of the opinion of Bond Counsel is set forth in APPENDIX E of this Official Statement.

### **Absence of Litigation**

A non-litigation opinion issued by Ryan W. Loose, Esq., City Attorney, dated the date of closing, will be provided stating, among other things, that to the best of his knowledge, after due inquiry, no action, suit, proceeding,

inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, has been served on the City or is threatened, challenging the creation, organization, or existence of the City or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2025 Bonds or for the purpose of restraining or enjoining the levy and collection of taxes or assessments by the City, or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2025 Bonds are issued or the validity of the Series 2025 Bonds or the issuance thereof.

## **TAX MATTERS**

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 2025 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2025 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2025 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2025 Bonds.

### **Opinion of Series 2025 Bond Counsel**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law existing as of the issue date of the Series 2025 Bonds:

***Federal Tax Exemption.*** The interest on the Series 2025 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

***Alternative Minimum Tax.*** Interest on the Series 2025 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2025 Bonds, subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2025 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025 Bonds.

***State of Utah Tax Exemption.*** The interest on the Series 2025 Bonds is exempt from State of Utah individual income taxes.

***No Other Opinion.*** Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2025 Bonds but has reviewed the discussion under the heading "TAX MATTERS."

### **Other Tax Consequences**

***[Original Issue Discount.*** For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2025 Bond over its issue price. The stated redemption price at maturity of a Series 2025 Bond is the sum of all payments on the Series 2025 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025 Bond is generally the first price at which a substantial amount of the Series 2025 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis.



The amount of original issue discount that accrues to an owner of a Series 2025 Bond during any accrual period generally equals (1) the issue price of that Series 2025 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2025 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2025 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2025 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

**[Original Issue Premium.** For federal income tax purposes, premium is the excess of the issue price of a Series 2025 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2025 Bond is the sum of all payments on the Series 2025 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025 Bond is generally the first price at which a substantial amount of the Series 2025 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2025 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2025 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2025 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

***Sale, Exchange, or Retirement of Series 2025 Bonds.*** Upon the sale, exchange, or retirement (including redemption) of a Series 2025 Bond, an owner of the Series 2025 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, or retirement of the Series 2025 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2025 Bond. To the extent a Series 2025 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2025 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

***Reporting Requirements.*** In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2025 Bonds, and to the proceeds paid on the sale of the Series 2025 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

***Collateral Federal Income Tax Consequences.*** Prospective purchasers of the Series 2025 Bonds should be aware that ownership of the Series 2025 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2025 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2025 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2025 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Series 2025 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

## **UNDERWRITER**

Stifel, Nicolaus & Company, Incorporated, as underwriter of the Series 2025 Bonds (the “Underwriter”), has agreed, subject to certain conditions, to purchase all of the Series 2025 Bonds from the City at an aggregate price of \$[ ] (which consists of the principal amount of the Series 2025 Bonds, plus [net] original issue premium of \$[ ] and less an Underwriter’s discount of \$[ ]). The Underwriter has advised the City that the Series 2025 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2025 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside front cover page of the Official Statement and that such public offering prices may be changed from time to time.

## **BOND RATINGS**

[Moody’s Investors Service (“Moody’s”)] and [Fitch Ratings (“Fitch”)] have assigned ratings of “[ ]” and “[ ],” respectively, to the Series 2025 Bonds.

Any explanation of the significance of these outstanding ratings should be obtained from the rating agency furnishing the same. There is no assurance that the ratings given to the outstanding obligations will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward change or withdrawal of such ratings may have an adverse effect on the market price of the Series 2025 Bonds.

## **MUNICIPAL ADVISOR**

The City has entered into an agreement with LRB Public Finance Advisors, Inc. (the “Municipal Advisor”), whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the Series 2025 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Series 2025 Bonds. The Municipal Advisor has read and participated in the review of certain portions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

## **CONTINUING DISCLOSURE UNDERTAKING**

The City has undertaken for the benefit of the Owners and the beneficial owners of the Series 2025 Bonds to provide certain annual financial information and operating data and notice of certain events as enumerated and in the manner set forth in the Continuing Disclosure Undertaking that will be executed and delivered by the City, a form of which is set forth as APPENDIX D, to the Municipal Securities Rulemaking Board’s “EMMA” system, all in order to enable the Underwriter to make the determinations required by Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). See “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING” attached hereto and incorporated herein by reference.

[Within the past five years, \_\_\_\_\_.]

A failure by the City to comply with the undertaking will not constitute a default under the Indenture and beneficial owners of the Series 2025 Bonds are limited to the remedies described in the Continuing Disclosure Agreement. A failure by the City to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2025 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2025 Bonds and their market price. See “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING” for the information to be provided, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Agreement, including termination, amendment and remedies.

## **MISCELLANEOUS**

### **Independent Auditors**

The basic financial statements of the City as of June 30, 2024, and for the year then ended, contained in APPENDIX A to this Official Statement, have been audited by Gilbert & Stewart, CPA, PC (“Gilbert & Stewart”), independent auditors, as stated in their report included in APPENDIX A hereto. Gilbert & Stewart has not been asked to consent to the use of its name and audited financial statements in this Official Statement or to perform any procedures in connection with the issuance of the Series 2025 Bonds.

### **Additional Information**

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

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, is intended as such and not as representations of fact.

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

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

The delivery of the Official Statement has been duly authorized by the City.

**CITY OF SOUTH JORDAN, UTAH**

**APPENDIX A**

**AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2024**

## **APPENDIX B**

### **FORM OF GENERAL INDENTURE**

*[Draft of General Indenture to be attached.]*

## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY

#### City, County, and State Population

<u>Year</u>	<u>City</u>	<u>% Change</u>	<u>County</u>	<u>% Change</u>	<u>State</u>	<u>% Change</u>
2024 Estimate	86,156	0.9%	1,216,274	1.31%	3,503,613	1.75%
2023 Estimate	85,427	2.0	1,200,544	0.70	3,443,222	1.54
2022 Estimate	83,782	4.6	1,192,255	0.48	3,391,011	1.54
2021 Estimate	80,077	3.3	1,186,513	0.11	3,339,738	2.08
2020 Census	77,487	1.2	1,185,238	2.14	3,271,616	2.05
2019 Estimate	76,598	3.7	1,160,437	1.02	3,205,958	1.66
2018 Estimate	73,837	4.1	1,148,692	1.05	3,153,550	1.69
2017 Estimate	70,929	3.5	1,136,719	1.48	3,101,042	1.95
2016 Estimate	68,545	3.8	1,120,109	1.62	3,041,868	2.01
2015 Estimate	66,034	—	1,102,273	1.13	2,981,835	1.53
2010 Census	50,418	—	1,029,655	—	2,763,885	—

(Source: U.S. Census Bureau, Population Division.)

Note: The 2010 and 2020 Census are as of April 1 of those years; the annual population estimates are as of July 1 of the year given. Estimates are subject to change.

#### Construction Activity in the City

The following table summarizes the value of permit authorized construction for the City for the years shown for both residential and commercial construction.

	<i>Calendar Year</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
New Dwelling Units	737	372	924	1,796	1,272
New Residential Value (\$000)	172,917.0	89,635.0	199,529.0	358,614.0	289,787.0
New Nonresidential Value (\$000)	195,799.0	36,627.0	70,069.0	64,535.0	55,684.0
Additions/Alterations/Repairs (\$000)	33,143.0	61,051.0	49,567.0	41,440.0	94,083.0
Total Construction (\$000)	401,859.0	187,313.0	319,165.0	464,589.0	439,554.0

(Source: University of Utah Bureau of Economic and Business Research.)

## THE COUNTY

The following demographic information is provided solely as background information regarding Salt Lake County (the “County”), the general area in which the City is located. The County is the economic and population center of the State. Based on 2020 Census data, the County has approximately 36% of the total population of the State. The State capital, Salt Lake City, is located in the County.

### Rate of Unemployment – Annual Average

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2024	3.2%	3.2%	4.0%
2023	2.7	2.7	3.6
2022	2.4	2.4	3.6
2021	2.9	2.8	5.3
2020	5.3	4.8	8.1
2019	2.5	2.5	3.7
2018	2.9	2.9	3.9
2017	3.0	3.1	4.4
2016	3.1	3.3	4.9
2015	3.3	3.5	5.3

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(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)

## Economic Indicators in the County

LABOR FORCE <sup>(1)</sup>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Labor Force (annual average)	693,444	681,550	664,322	645,193	638,440
Employed (annual average)	671,267	663,016	648,471	626,701	604,567
Unemployed (annual average)	21,177	18,534	15,851	18,492	33,873
Average Employment (Non-Farm Jobs)	808,038	800,225	783,881	750,123	720,686
% Change Prior Year	0.98	2.09	4.50	4.08	-2.24
<i>Average Employment by Sector:</i>					
Agriculture, Forestry, Fishing & Hunting	571	600	505	433	350
Mining	3,476	3,419	3,101	2,711	2,704
Utilities	2,755	2,674	2,621	2,540	2,613
Construction	56,103	54,136	52,254	49,403	46,121
Manufacturing	60,973	61,937	61,233	58,412	56,512
Wholesale Trade	40,141	38,399	36,899	34,826	33,589
Retail Trade	73,057	73,842	75,693	75,837	71,757
Transportation and Warehousing	50,964	50,935	48,540	46,635	45,470
Information	23,435	24,260	24,535	21,586	20,493
Finance and Insurance	51,854	51,142	51,666	51,570	50,506
Real Estate and Rental and Leasing	12,889	12,605	12,320	11,964	11,551
Professional, Scientific & Technical Services	75,991	75,975	73,906	67,717	62,213
Management of Companies and Enterprises	16,896	16,780	16,336	16,041	16,533
Administrative, Support, Waste Management, & Remediation	50,008	51,294	52,504	50,714	50,478
Education Services	68,665	66,619	65,262	62,248	63,779
Health Care and Social Assistance	93,640	90,862	86,331	83,898	81,223
Arts, Entertainment, and Recreation	13,230	12,260	11,306	9,691	8,178
Accommodation and Food Services	57,269	56,703	53,976	48,396	44,582
Other Services and Unclassified Establishments	23,208	23,147	22,902	22,348	21,239
Public Administration	33,910	32,634	31,989	31,155	30,797
Total Establishments	67,102	65,069	62,762	62,346	56,515
Total Wages (\$Millions)	62,018.6	58,435.7	54,673.5	49,206.1	44,541.0
INCOME AND WAGES	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Personal Income (\$000) <sup>(2)</sup>	n/a	\$85,126,342	\$80,481,119	\$76,747,291	\$67,958,404
Per Capita Income <sup>(2)</sup>	n/a	71,787	67,827	64,694	57,253
Median Household Income <sup>(1)</sup>	n/a	94,013	91,713	80,676	79,294
Average Monthly Nonfarm Wage <sup>(1)</sup>	\$6,396	\$6,085	\$5,812	\$5,466	\$5,150
SALES & CONSTRUCTION	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Gross Taxable Sales (\$000,000) <sup>(3)</sup>	42,782.1	41,950.6	41,687.3	37,173.7	31,377.7
New Dwelling Units <sup>(4)</sup>	4,093	8,824	8,864	11,037	10,660
Total Construction Value (\$000) <sup>(4)</sup>	3,565,252.3	4,463,195.5	3,992,958.0	4,343,554.3	4,122,671.6
New Residential Value (\$000) <sup>(4)</sup>	1,015,070.2	2,147,646.1	1,711,278.5	2,153,788.4	1,964,183.1
New Nonresidential Value (\$000) <sup>(4)</sup>	637,834.0	910,557.6	1,303,331.3	1,056,514.3	974,277.3

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated November 2024; (3) Utah State Tax Commission; (4) University of Utah Ivory-Boyer Construction Database; Total Construction Value includes additions/alterations/repairs.)



## Major Employers in the County

<u>Company</u>	<u>Industry</u>	<u>Employment Range</u>
University of Utah	Higher Education	20,000+
Intermountain Health Care	Health Care	20,000+
State of Utah	State Government	10,000-14,999
Granite School District	Public Education	7,000-9,999
Jordan School District	Public Education	7,000-9,999
Salt Lake County	Local Government	5,000-6,999
Amazon.com	Couriers	5,000-6,999
Wal-Mart	Warehouse Clubs & Supercenters	5,000-6,999
Delta Airlines	Air Transportation	5,000-6,999
Canyons School District	Public Education	4,000-4,999
ARUP Laboratories	Medical Laboratories	4,000-4,999
Salt Lake City	Local Government	3,000-3,999
Department of Veterans Affairs	Health Care	3,000-3,999
Smiths Food & Drug	Grocery Stores	3,000-3,999
United Parcel Service	Postal Service	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
Zions Bancorporation N A	Financial Services	3,000-3,999
US Postal Service	Postal Service	2,000-2,999
Biofire Diagnostics, LLC	Medical Research	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
L3 Technologies	Manufacturing	2,000-2,999
Skywest Airlines	Air Transportation	2,000-2,999
Kennecott Utah Copper	Mining	2,000-2,999
Harmons	Grocery Stores	2,000-2,999
Mountain America Credit Union	Financial Services	2,000-2,999
Utah Transit Authority	Public Transportation	2,000-2,999
Northrop Grumman Corp.	Aerospace Manufacturing	2,000-2,999
Discover Products Inc.	Financial Services	2,000-2,999
Costco Wholesale	Warehouse Clubs & Supercenters	2,000-2,999
Merit Medical Systems	Health Care	2,000-2,999
Wells Fargo Bank	Financial Services	2,000-2,999
Select Health	Medical Insurance Carriers	1,000-1,999
Fidelity Brokerage Services	Financial Services	1,000-1,999
Goldman Sachs and Co.	Nondepository Credit Intermediation	1,000-1,999
Maverik Country Stores	Gasoline Stations with Convenience Stores	1,000-1,999
St Marks Hospital	Hospitals	1,000-1,999
The Home Depot	Home Centers	1,000-1,999
McDonald's	Limited-Service Restaurants	1,000-1,999
Core Innovative Solutions	Residential Property Managers	1,000-1,999
Edwards Lifesciences	Medical Instrument Manufacturing	1,000-1,999
Catholic Health Initiatives	Colorado Hospitals	1,000-1,999
Target	Warehouse Clubs/Supercenters	1,000-1,999
Becton, Dickinson and Company	Medical Instrument Manufacturing	1,000-1,999
Snowbird Operations	Hotels	1,000-1,999
Swire Pacific Holdings	Grocery Merchant Wholesalers	1,000-1,999
R1 RCM	Professional, Scientific & Technical Services	1,000-1,999
Ultradent Products	Dental Equipment Manufacturing	1,000-1,999
Western Governor's University	Higher Education	1,000-1,999
Ebay	General Merchandise Retailers	1,000-1,999
Universal Protection	Security Guards & Patrol Services	1,000-1,999
Varex Imaging	Irradiation Apparatus Manufacturing	1,000-1,999
Optum Services	Software Publishers	1,000-1,999
Cache Valley Electric	Specialty Trade Contractors	1,000-1,999
ARO	Supermarkets	1,000-1,999
PacifiCorp	Utilities	1,000-1,999
Sutter Health	Accounting Services	1,000-1,999
Dept of Defense	Federal Government	1,000-1,999
Western States Lodging & Management	Accommodations	1,000-1,999
West Valley City	Local Government	1,000-1,999

(Source: Utah Department of Workforce Services; last updated November 2024.)

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”), is executed by the City of South Jordan, Utah (the “City”), in connection with the issuance by the City of its \$[\_\_\_\_\_] Water Revenue Bonds, Series 2025 (the “Series 2025 Bonds”). The Series 2025 Bonds are being issued pursuant to a General Indenture of Trust dated as of [October 1], 2025, as supplemented by a First Supplemental Indenture of Trust, dated as of [October 1], 2025 (together, the “Indenture”), between the City and U.S. Bank Trust Company, National Association, as trustee.

The City hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined Rule with respect to the Series 2025 Bonds.

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

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Series 2025 Bonds and in order to assist the Participating Underwriter (each as defined below) in complying with the Rule.

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

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

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2025 Bonds for federal income tax purposes.

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

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

“Official Statement” shall mean the Official Statement of the City dated [\_\_\_\_\_] , 2025, relating to the Series 2025 Bonds.

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

“Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the Series 2025 Bonds and required to comply with the Rule in connection with the offering of the Series 2025 Bonds.

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than two hundred (200) days after the end of each fiscal year of the City (presently June 30), commencing with the fiscal year ending June 30, 2025, provide to the MSRB in an electronic format, the Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than ten (10) Business Days prior to said date, the City shall provide the Annual Report of the City to the Dissemination Agent. In each case, the Annual Report of the City may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(e).

(b) If by ten (10) Business Days prior to the date specified in Section 3(a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent shall contact the City to determine if the City is in compliance with Section 3(a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the City has been provided to the MSRB by the dates required in Sections 3(a) and 3(b), the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in the manner prescribed by the MSRB.

(d) The Dissemination Agent shall:

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

(ii) file reports with the City, as appropriate, certifying that its Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

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

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

(b) An update of the financial and operating information in the Official Statement relating to the City of the type contained in tables under the headings:

“THE SYSTEM,” “DEBT STRUCTURE OF THE CITY—Outstanding Municipal Indebtedness of the City,” and “HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE” (but only as to historical data).

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

Section 5.        Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2025 Bonds in a timely manner but not more than ten (10) Business Days after the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds or other material events affecting the tax status of the Series 2025 Bonds;

- (vi) Defeasances;
- (vii) Tender offers;
- (viii) Bankruptcy, insolvency, receivership or similar proceedings;
- (ix) Rating changes; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2025 Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

(i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

(ii) Appointment of a successor or additional trustee or the change of the name of a trustee;

(iii) Non-payment related defaults;

(iv) Modifications to the rights of the owners of the Series 2025 Bonds;

(v) Series 2025 Bond calls;

(vi) Release, substitution or sale of property securing repayment of the Series 2025 Bonds; or

(vii) Incurrence of a Financial Obligation of the City or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

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

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

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

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

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the date of the legal defeasance, prior redemption or payment in full of all of the Series 2025 Bonds. If such termination occurs prior to the final maturity of the Series 2025 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The City will serve as the initial Dissemination Agent under this Disclosure Undertaking.

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (as defined in the Rule) with respect to the Series 2025 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2025 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Series 2025 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2025 Bonds.

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

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an “event of default” under the Indenture, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Beneficial Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: \_\_\_\_\_, 2025.

SOUTH JORDAN CITY, UTAH

(  
SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

## APPENDIX E

### FORM OF OPINION OF BOND COUNSEL

*Upon the issuance of the Series 2025 Bonds, Gilmore & Bell, P.C., Bond Counsel to the City, proposes to issue its approving opinion in substantially the following form.*

Re:     \$[\_\_\_\_\_] City of South Jordan, Utah Water Revenue Bonds, Series 2025

We have acted as bond counsel to the City of South Jordan, Utah (the “Issuer”) in connection with the issuance by the Issuer of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and other applicable provisions of law; (ii) a resolution of the Issuer adopted on August 5, 2025; and (iii) a General Indenture of Trust dated as of [October 1], 2025 (the “General Indenture”) and as supplemented by a First Supplemental Indenture of Trust dated as of [October 1], 2025 (the “First Supplemental Indenture”) and together with the General Indenture, the “Indenture”) each between the Issuer and U.S. Bank Trust Company, National Association, as trustee. Under the Indenture, the Issuer has pledged certain revenues (the “Net Revenues”) for the payment of principal of, premium (if any), and interest on the Bonds when due.

Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Indenture.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the Indenture, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1.       The Issuer is validly existing as a political subdivision and body politic duly organized and validly existing under the constitution and laws of the State of Utah (the “State”) with the power to execute the Indenture, perform the agreements on its part contained therein, and issue the Bonds.
2.       The Indenture has been authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer.
3.       The Indenture creates a valid lien on the Net Revenues and other funds pledged by the Indenture for the security of the Bonds on a parity with other bonds, if any, issued or to be issued under the Indenture.
4.       The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Net Revenues and the other funds provided therefor in the Indenture. The Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory provision, limitation, or restriction. The Issuer’s taxing power is not pledged to the payment of the Bonds.
5.       The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from income taxation by the State.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, except as may be set forth in our supplemental opinion of even date herewith, (b) the attachment, perfection, or priority of the lien on Revenues or other funds created by the Indenture, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,



## **APPENDIX F**

### **PROVISIONS REGARDING BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds are to be issued as fully registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate is to be issued for each series of the Series 2025 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P Global’s rating of AA+. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. Neither the City nor the Underwriter make any representation about such information. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2025 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain

that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners are to be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2025 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2025 Bond certificates will be printed and delivered to DTC.

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

## EXHIBIT E

### NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), that on August 5, 2025, the City Council (the “Council”) of the City of South Jordan, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Water Revenue Bonds, Series 2025 (the “Series 2025 Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer), and called a public hearing to receive input from the public with respect to the issuance of the Series 2025 Bonds.

### TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on September 2, 2025, at the hour of 6:30 p.m. at 1600 West Towne Center Drive, South Jordan, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Series 2025 Bonds and (b) any potential economic impact that the project to be financed with the proceeds of the Series 2025 Bonds may have on the private sector. All members of the public are invited to attend and participate.

### PURPOSE FOR ISSUING THE SERIES 2025 BONDS

The Series 2025 Bonds will be issued to (a) finance all or a portion of improvements to the Issuer’s water system including, but not limited to, (i) a water tank to help meet current demand and support future growth on the west side of the Issuer, (ii) expansion of the Water Annex Building to increase storage space for inventory and equipment, and (iii) a new west side public works facility to alleviate space limitations, improve service level response times, and support the continued growth of the Issuer and the Public Works Department, and related improvements; (b) fund any necessary debt service reserve fund; and (c) pay costs of issuance with respect to the Series 2025 Bonds.

### PARAMETERS OF THE SERIES 2025 BONDS

The Issuer intends to issue the Series 2025 Bonds in the aggregate principal amount of not more than Forty-Five Million Dollars (\$45,000,000), to mature in not more than thirty-on (31) years from their date or dates, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed six percent (6.0%) per annum. The Series 2025 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General and a Supplemental Indenture (together, the “Indenture”) which were before the Council in substantially final form at the time of the adoption of the Resolution and said Indenture is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2025 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2025 Bonds for any reason and at any time up to the issuance of the Series 2025 Bonds.

## REVENUES TO BE PLEDGED

The Bonds are special, limited obligations of the Issuer payable from the net revenues of the Issuer's water system (the "System").

## OUTSTANDING BONDS SECURED BY REVENUES

The Issuer currently has no bonds outstanding secured by the Revenues.

## OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at <https://reporting.auditor.utah.gov/searchreports/s/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Sunil Naidu, Chief Financial Officer at (801) 254-3742.

## TOTAL ESTIMATED COST OF SERIES 2025 BONDS

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Series 2025 Bonds to be issued under the Act to finance the Project, if held until maturity, is \$68,350,000.

A copy of the Resolution and the Indenture are on file in the office of the City of South Jordan City Recorder, 1600 West Towne Center Drive, South Jordan, Utah, where they may be examined during regular business hours of the City Recorder from 8:00 a.m. to 6:00 p.m. Monday through Thursday and 8:00 a.m. to noon on Friday, for a period of at least thirty (30) days from and after the date of publication of this notice.

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

DATED this August 5, 2025.

/s/ Anna Crookston  
City Recorder