

**NOTICE OF A REGULAR
CITY COUNCIL MEETING
February 22, 2023, at 6:00 PM**

PUBLIC NOTICE is hereby given that the Vineyard City Council will hold a regularly scheduled City Council meeting on Wednesday, February 22, 2023, at 6:00 p.m., in the City Council Chambers at City Hall, 125 South Main Street, Vineyard, Utah. This meeting can also be viewed on our [live stream page](#). If storm conditions don't allow in-person attendance, members of the City Council may join this meeting electronically, with City Hall as the anchor location.

AGENDA

Presiding Mayor Julie Fullmer

1. CALL TO ORDER/INVOCATION/INSPIRATIONAL THOUGHT/PLEDGE OF ALLEGIANCE – *to be announced.*

2. WORK SESSION
No items were submitted.

3. PUBLIC COMMENTS *(15 minutes)*
“Public Comments” is defined as time set aside for citizens to express their views for items not on the agenda. Each speaker is limited to three minutes. Because of the need for proper public notice, immediate action **cannot** be taken in the Council Meeting. If action is necessary, the item will be listed on a future agenda, however, the Council may elect to discuss the item if it is an immediate matter of concern.
Public comments can be submitted ahead of time to pams@vineyardutah.org.

4. MAYOR AND COUNCILMEMBERS' REPORTS/DISCLOSURES/RECUSALS

5. STAFF, COMMISSION, AND COMMITTEE REPORTS *(3 minutes each)*
5.1 City Manager Ezra Nair
5.2 Planning Commission

6. CONSENT ITEMS
6.1 [Approval of the February 8, 2023, City Council Meeting Minutes](#)
6.2 [Approval of the February 9, 2023, City Council Retreat Minutes](#)
6.3 [Bid Award for a Planning Services Contracts \(Resolution 2023-08\)](#)

7. APPOINTMENTS

7.1 Communities That Care Commission

With the advice and consent of the City Council, Mayor Fullmer will appoint members to the Vineyard Communities that Care Commission.

7.2 Library Board

With the advice and consent of the City Council, Mayor Fullmer will appoint members to the Vineyard Library Board.

8. PRESENTATIONS/RECOGNITIONS/AWARDS/PROCLAMATIONS

No items were submitted.

9. BUSINESS ITEMS

9.1 DISCUSSION AND ACTION – Development Agreement for The Forge (Resolution 2023-09) (15 minutes)

Community Development Director Morgan Brim will present a development agreement for The Forge development. The mayor and City Council will act to adopt (or deny) this request by resolution. *(A public hearing for this item was held January 25, 2023.)*

9.2 PUBLIC HEARING – Consolidated Fee Schedule Amendment (Resolution 2023-10)

Finance Director David Mortensen will present amendments to the water and sewer rates in the Consolidated Fee Schedule. If adopted, these new rates will take effect on July 1, 2023. The mayor and City Council will act to adopt (or deny) this request by resolution.

9.3 DISCUSSION AND ACTION – Bond Parameters (Resolution 2023-11) (15 minutes)

Finance Director David Mortensen will present for consideration for adoption of a resolution authorizing the issuance and sale of not more than \$20,000,000 aggregate principal amount of Water and Sewer Revenue Bonds, Series 2023; and related matters. The mayor and City Council will act to adopt (or deny) this request by Ordinance and set a public hearing for March 22, 2023.

9.4 PUBLIC HEARING – General Plan Amendment (Ordinance 2023-09)

Senior Planner Briam Amaya Perez will present a text amendment to the General Plan adding Water Use and Preservation. The purpose of these standards is to conserve the public's water resources by establishing water conservation standards for indoor plumbing fixtures and outdoor landscaping. The mayor and City Council will act to adopt (or deny) this request by Ordinance.

9.5 PUBLIC HEARING – City Water Conservation Plan (Resolution 2023-12)

Staff Engineer Emily Kofoed will present a recommended city water conservation plan. The mayor and City Council will act to adopt (or deny) this request by resolution.

9.6 PUBLIC HEARING – Zoning Text Amendments (Ordinance 2023-10)

Senior Planner Briam Amaya Perez Special Purpose Zoning District text amendment submitted by X-Development. This text amendment will modify Section 7.08 *Development Standards* to allow for parking in the setback area. It will also modify Section 7.12 *District Use Table* to allow for off-site residential parking lots. Parcel IDs: 40:597:0004, 40:513:0005, 40:513:0006, 40:513:0007, 40:513:0008, 40:587:0 012, 40:587:0013, 40:587:0014 and 40:587:0015. The mayor and City Council will act to adopt (or deny) this request by Ordinance.

9.7 PUBLIC HEARING – [Zoning Text Amendments \(Ordinance 2023-11\)](#)

Senior Planner Briam Amaya Perez will present an amendment to Vineyard Zoning Code submitted by Hughes General Contractors. This text amendment will modify Section 15.12.050 *District Use Table* to allow clinical support housing to be eighty percent (80%) of the net square footage of a single building or development. Parcel ID: 53:589:0001. The mayor and City Council will act to adopt (or deny) this request by Ordinance.

9.8 PUBLIC HEARING – [General Plan Amendment to the Public Facilities and Services \(Ordinance 2023-12\)](#) *(This public hearing is being postponed to the March 8, 2023, City Council meeting.)*

City initiated General Plan Amendment to the Public Facilities and Services element of the General Plan. This will update the goals and strategies for managing public utilities and services throughout the city. In addition, the city is adding a new element to the General Plan titled, Water Use and Preservation, which will plan developing, delivering, and efficiently using our limited water resources.

9.9 DISCUSSION AND ACTION – [Flagborough Impact Fee Agreement \(Resolution 2023-13\)](#)

(15 minutes)

City Manager Ezra Nair will present a recommendation for the city to enter into an impact fee agreement with Flagborough, LLC. The mayor and City Council will act to adopt (or deny) this request by resolution.

10. CLOSED SESSION

The Mayor and City Council pursuant to Utah Code 52-4-205 may vote to go into a closed session for the purpose of (these are just a few of the items listed, see Utah Code 52-4-205 for the entire list):

- (a) discussion of the character, professional competence, or physical or mental health of an individual
- (b) strategy sessions to discuss collective bargaining
- (c) strategy sessions to discuss pending or reasonably imminent litigation
- (d) strategy sessions to discuss the purchase, exchange, or lease of real property, including any form of a water right or water shares
- (e) strategy sessions to discuss the sale of real property, including any form of a water right or water shares
- (f) discussion regarding deployment of security personnel, devices, or systems;
- (g) the purpose of considering information that is designated as a trade secret, as defined in Section [13-24-2](#), if the public body's consideration of the information is necessary in order to properly conduct a procurement under [Title 63G, Chapter 6a, Utah Procurement Code](#);

11. ADJOURNMENT

The next meeting is on Wednesday, March 8, 2023.

This meeting may be held in a way that will allow a councilmember to participate electronically. The Public is invited to participate in all City Council meetings. In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Recorder at least 24 hours prior to the meeting by calling (801) 226-1929.

I the undersigned duly appointed Recorder for Vineyard, hereby certify that the foregoing notice and agenda was emailed to the Salt Lake Tribune, posted at the Vineyard City Offices, the Vineyard website, the Utah Public Notice website, and delivered electronically to city staff and to each member of the Governing Body.

AGENDA NOTICING COMPLETED ON: February 21, 2023

CERTIFIED (NOTICED) BY: /s/ Pamela Spencer
PAMELA SPENCER, CITY RECORDER

**MINUTES OF A REGULAR
CITY COUNCIL MEETING**

City Council Chambers
125 South Main Street, Vineyard, Utah
February 8, 2023, at 6:00 PM

Present

Mayor Julie Fullmer
Councilmember Tyce Flake
Councilmember Amber Rasmussen
Councilmember Mardi Sifuentes
Councilmember Cristy Welsh

Absent

Staff present: City Manager Ezra Nair, Finance Director David Mortensen, City Attorney Jayme Blakesley, Interim Chief Building Official Cris Johnson, Lieutenant Holden Rockwell with the Utah County Sheriff's Office, Community Development Director Morgan Brim, City Planners Briam Amaya Perez and Cache Hancey, Public Works Director Naseem Ghandour, Staff Engineer Emily Kofoed, Parks and Rec Director Brian Vawdrey, City Recorder Pamela Spencer, Human Resources Manager Corrie Steeves, Planning Commissioners Bryce Brady and Anthony Jenkins

Others Speaking: Residents Jordan Christiansen, David Lauret, and David Pierce; residents and Heritage Commission members Tim Blackburn and Sherrie- Kaye Miller

1. CALL TO ORDER/INVOCATION/INSPIRATIONAL THOUGHT/PLEDGE OF ALLEGIANCE

 Mayor Fullmer opened the meeting at 6:00 PM. Councilmember Welsh gave the invocation and led the Pledge of Allegiance.

2. WORK SESSION

No items were submitted.

3. PUBLIC COMMENTS

 Mayor Fullmer called for public comments.

 Resident Jordan Christiansen, living in The Preserve subdivision, suggested that the city add a delayed walk signal on traffic lights to allow pedestrians time to cross the road.

4. MAYOR AND COUNCILMEMBERS' REPORTS/DISCLOSURES/RECUSALS

 Councilmember Flake reviewed bills from the Utah State Legislative session. He expressed his concerns with House Bills 364, 291, and Senate Bills 174 and 175. There was a discussion about contacting state representatives about the bills.

 Councilmember Sifuentes reported that the Parks and Rec department had opened their sign-ups for spring sports and that there was free kids' bingo that kids could sign up for. She also reported that Trailside Elementary was looking at adjusting their school time to a later schedule. She recommended that families with students at Trailside take the survey put out by the school.

 Councilmember Welsh reported that on today's Facebook Live they had discussed the new Vineyard Connector Expansion starting later this year.

5. STAFF, COMMISSION, AND COMMITTEE REPORTS

5.1  City Manager Ezra Nair reported that construction for the expansion of the Vineyard Connector would start this spring. He noted that there was a hotline available at 385.853.8463, that residents could call for construction updates. He reminded the City Council and staff that the City Council Planning Retreat would be on Thursday. There was a brief discussion about the Connector expansion.

 Mayor Fullmer reviewed additional legislative bills and resolutions.

5.2  Planning Commission Chair Bryce Brady reported that Planning Commission had held a public hearing for the amendment to Moderate-Income Housing in the General Plan and the development agreement for The Forge.

6. CONSENT ITEMS

6.1 Approval of the January 25, 2023, City Council Meeting Minutes

6.2 Bid Award for Wastewater (sewer) Master Plan and Impact Fee Analysis Study
(Resolution 2023-03)

6.3 Bid Award for Transportation Master Plan and Impact Fee Analysis Study
(Resolution 2023-04)

6.4 Approval of a City Manager Performance Evaluation Policy
(Resolution 2023-05)

 Mayor Fullmer called for a motion.

 **Motion:** COUNCILMEMBER WELSH MOVED TO APPROVE THE CONSENT ITEMS AS PRESENTED. COUNCILMEMBER RASMUSSEN SECONDED THE MOTION. MAYOR FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED UNANIMOUSLY.

94 **7. APPOINTMENTS**

95 **7.1 Library Board**

96 With the advice and consent of the City Council, Mayor Fullmer will appoint members to
97 the Vineyard Library Board.

98
99 No Library Board appointments were made.
100
101

102 **8. PRESENTATIONS/RECOGNITIONS/AWARDS/PROCLAMATIONS**

103 No items were submitted.
104
105

106 **9. BUSINESS ITEMS**

107 **9.1 DISCUSSION AND ACTION – Ratification of Appointment of New Department**
108 **Director**

109 City Manager Ezra Nair will present the appointment of Cris Johnson as the Chief
110 Building Official for ratification by the City Council. The mayor and City Council will
111 take appropriate action.
112

113  Mayor Fullmer turned the time over to City Manager Ezra Nair.
114

115  Mr. Nair presented Cris Johnson as the new Chief Building Official and asked the council
116 for ratification.
117

118  Mayor Fullmer called for questions or a motion. She mentioned that the council had taken
119 the time to review Mr. Johnson's work.
120

121  **Motion:** COUNCILMEMBER FLAKE MOVED TO RATIFY THE APPOINTMENT OF
122 CRIS JOHNSON TO THE DEPARTMENT CHAIR. COUNCILMEMBER WELSH
123 SECONDED THE MOTION. MAYOR FULLMER, COUNCILMEMBERS FLAKE,
124 RASMUSSEN, SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED
125 UNANIMOUSLY.
126

127  Mayor Fullmer asked Mr. Johnson to say a few words. Mr. Johnson stated that he was
128 grateful for the opportunity to be the Chief Building Official.
129

130 **9.2 PUBLIC HEARING – General Plan Amendment (Ordinance 2023-04)**

131 Senior Planner Briam Amaya Perez will present a city initiated General Plan
132 Amendment. As required by Utah State Code, a Moderate-Income Housing Plan must be
133 adopted as a part of the General Plan. Six strategies will be adopted and act as a guide to
134 the city to address moderate income housing challenges. The mayor and City Council
135 will act to adopt (or deny) this request by ordinance.
136

137  Mayor Fullmer called for a motion to open the public hearing.
138

139  **Motion:** COUNCILMEMBER FLAKE MOVED TO OPEN THE PUBLIC HEARING AT
140 6:22 PM. COUNCILMEMBER SIFUENTES SECONDED THE MOTION. MAYOR
141 FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH
142 VOTED YES. THE MOTION CARRIED UNANIMOUSLY.
143



Mr. Amaya Perez explained the reason for amending the Moderate-Income Housing Plan in the General Plan and the timeline. He then reviewed the amendments.

- E) Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.
- F) Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers;
- H) Amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities.
- L) Reduce, waive, or eliminate impact fees related to moderate income housing.
- N) Implement a mortgage assistance program for employees of the municipality, an employer that provides contracted services to the municipality, or any other public employer that operates within the municipality.
- O) Apply for or partner with an entity that applies for state or federal funds or tax incentives to promote the construction of moderate income housing, an entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity, an entity that applies for affordable housing programs administered by the Department of Workforce Services, an entity that applies for affordable housing programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, an entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or any other entity that applies for programs or services that promote the construction or preservation of moderate income housing;
- Q) Create a housing and transit reinvestment zone pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- V) Develop and adopt a station area plan in accordance with Section 10-9a-403.1.



Mayor Fullmer called for questions from the public. Hearing none, she called for a motion to close the public hearing.



Motion: COUNCILMEMBER FLAKE MOVED TO CLOSE THE PUBLIC HEARING AT 6:36 PM. COUNCILMEMBER SIFUENTES SECONDED THE MOTION. MAYOR FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED UNANIMOUSLY.



There was a discussion about the changes that the City Council wanted.



Resident David Lauret, living on Holdaway Road, expressed his frustration about not being able to comment on something that had not been fully baked yet. Mayor Fullmer explained the timeline required from the state. There was a brief discussion about the process.



There was a discussion about the timeline and changes.



Mr. Brim restated the changes:

Strategy F.

The city will work with the property owners of the downtown district to develop infrastructure to support multifamily housing by the end of 2023.

Strategy H.

Remove Strategy b and keep a

Strategy L.

Keep b. for the study

Strategy O. Remove

Strategy V:

Remove c



Mayor Fullmer called for a motion.



Motion: COUNCILMEMBER FLAKE MOVED TO ADOPT ORDINANCE 2023-04, GENERAL PLAN AMENDMENTS, WITH THE CHANGES NOTED. COUNCILMEMBER WELSH SECONDED THE MOTION. ROLL CALL WENT AS FOLLOWS: MAYOR FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED UNANIMOUSLY.



Councilmember Flake expressed his frustrations with the changes in the legislature and the requirements they are requiring the city to do to solve the housing problems.

9.3 DISCUSSION AND ACTION – Municipal Code Amendment to Sections 2.30.010 and 13.16.020 (Ordinance 2023-05)

City Recorder Pamela Spencer will present a recommendation to amend the Municipal Code Section 2.30.010 Committee Creation - General Provisions and Section 13.16.020 Public Library - Board-Established-Terms of Office. The mayor and City Council will act to adopt (or deny) this request by ordinance.



Mayor Fullmer turned the time over to City Recorder Pamela Spencer.



Ms. Spencer reviewed the code changes. There was a brief discussion about the changes.



Mayor Fullmer called for further questions or a motion.



Motion: COUNCILMEMBER WELSH MOVED TO ADOPT ORDINANCE 2023-05, AMENDING MUNICIPAL CODE SECTIONS 2.30.010 AND 13.16.020, AS PRESENTED. COUNCILMEMBER SIFUENTES SECONDED THE MOTION. ROLL CALL WENT AS FOLLOWS: MAYOR FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED UNANIMOUSLY.

234 **9.4 DISCUSSION AND ACTION – Municipal Code Amendment adding Section**
235 **2.30.040 Arts, Recreation and Parks, Cultural, and Heritage (ARCH) Advisory**
236 **Commission (Ordinance 2023-06)**

237 City Recorder Pamela Spencer will present a recommendation to add Section 2.03.040
238 Arts, Recreation and Parks, Cultural, and Heritage (ARCH) Advisory Commission to the
239 Municipal Code. The mayor and City Council will act to adopt (or deny) this request by
240 ordinance.

241
242  Mayor Fullmer turned the time over to City Recorder Pamela Spencer.

243
244  Ms. Spencer reviewed the code changes. There was a brief discussion.

245
246  Mayor Fullmer called for members of the current Heritage Commission to speak.

247
248  Resident and Heritage Commission Chair Tim Blackburn, living in the Sleepy Ridge
249 subdivision, expressed his concerns with the dissolving of the Heritage Commission and the
250 ability to complete their current projects. Mayor Fullmer stated that they would work together on
251 the commission's projects.

252
253  There was a discussion about the structure of the new commission and the Recreation, Arts,
254 and Parks Tax funds.

255
256  Resident and Heritage Commission member Sherrie-Kaye Miller, living on Holdaway Road,
257 expressed her concerns about the commission's projects and their commitments. Mayor Fullmer
258 explained the vision for the new commission and about the funding for the current Heritage
259 Commission and the for the 501(c)(3) Heritage Foundation. The discussion about the Heritage
260 Commission continued.

261
262  Mayor Fullmer called for further questions or a motion.

263
264  **Motion:** COUNCILMEMBER WELSH MOVED TO ADOPT ORDINANCE 2023-06,
265 ADDING MUNICIPAL CODE SECTION 2.30.040, AS PRESENTED. COUNCILMEMBER
266 RASMUSSEN SECONDED THE MOTION. ROLL CALL WENT AS FOLLOWS: MAYOR
267 FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH
268 VOTED YES. THE MOTION CARRIED UNANIMOUSLY.

269
270
271 **9.5 DISCUSSION AND ACTION – A Resolution Thanking the Heritage Commission**
272 **(Resolution 2023-06)**

273 Mayor Fullmer will present a resolution thanking the Heritage Commission for their time,
274 effort, dedication, enthusiasm, and service given to the Vineyard community for the past
275 7 years. The mayor and City Council will act to adopt this resolution.

276
277  Mayor Fullmer read the resolution and called for a motion.

278
279  **Motion:** COUNCILMEMBER FLAKE MOVED ADOPT RESOLUTION 2023-06, AS
280 PRESENTED. COUNCILMEMBER SIFUENTES SECONDED THE MOTION. ROLL CALL
281 WENT AS FOLLOWS: MAYOR FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN,
282 SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED UNANIMOUSLY.

283 **9.6 DISCUSSION AND ACTION – Resolution of Intent (Resolution 2023-07)**

284 Finance Director David Mortensen will present a consideration for adoption of a
285 resolution of the City Council of Vineyard City, Utah, declaring its intention to reimburse
286 itself for expenditures incurred in connection with the construction of a water tank,
287 pipelines and various water and sewer system improvements and all related
288 improvements with proceeds of bonds that it intends to issue; and related matters. The
289 mayor and City Council will act to adopt (or deny) this request by resolution.
290
291

292  Mayor Fullmer turned the time over to Finance Director David Mortensen.
293

294  Mr. Mortensen explained the reasons for the resolution. He then turned the time over to
295 Laura Lewis with Lewis Young Robertson & Burningham (Lewis Young).
296

297  Ms. Lewis reviewed the timeline requirements for issuing the bonds.
298

299  Councilmember Flake asked, with the current economic conditions, what the attractiveness
300 of the bond would be. Ms. Lewis replied that she was not concerned with being able to find a
301 market for the bonds. There was a discussion about bonding.
302

303  Mayor Fullmer called for questions.
304

305  Ms. Lewis mentioned that she would be working with Fred Philpot from her company on the
306 utility rate study.
307

308  Mayor Fullmer asked about the funds that would be freed from these bonds. Mr. Mortensen
309 replied that they were looking at securing \$13 to \$15 million in revenue bonds, split between
310 water and sewer revenues. Mr. Nair added that they could use some of the funds towards the
311 Vineyard Connector overpass, and the rail spur project.
312

313  Councilmember Flake added that there was a substantial difference in the financial position
314 now from what they had to work with in the past. He said that the bonds had gone well and
315 allowed the city to do incredible things.
316

317  There was a discussion about the risks of bonding.
318

319  Mr. Nair noted that the water projects were totaling over \$30 million, and they were
320 spending half of the Redevelopment Agency (RDA) funds on the water tank project and will
321 need to bond to complete the project.
322

323  Councilmember Sifuentes asked the mayor if she had any concerns. Mayor Fullmer said that
324 she understood the need for bonding and was considering the projects and where they could
325 acquire additional funds. Ms. Lewis said that she had dealt with the bonding issue for a long time
326 and explained how financing worked. Mr. Nair clarified that the city was not over budget on the
327 project.
328

329  Resident David Pierce, living in the Cascade subdivision, expressed his opinion on taking
330 care of the infrastructure now to make sure the city had an adequate water supply system in the
331 future. There was a discussion about infrastructure.
332

 Mayor Fullmer called for a motion.

 **Motion:** COUNCILMEMBER FLAKE MOVED TO ADOPT RESOLUTION 2023-07 AS PRESENTED. COUNCILMEMBER SIFUENTES SECONDED THE MOTION. ROLL CALL WENT AS FOLLOWS: MAYOR FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED UNANIMOUSLY.

10. CLOSED SESSION

There was no closed session held.

11. ADJOURNMENT

 Mayor Fullmer called for a motion to adjourn the meeting.

 **Motion:** COUNCILMEMBER FLAKE MOVED TO ADJOURN THE MEETING AT 8:00 PM. COUNCILMEMBER SIFUENTES SECONDED THE MOTION. MAYOR FULLMER, COUNCILMEMBERS FLAKE, RASMUSSEN, SIFUENTES, AND WELSH VOTED YES. THE MOTION CARRIED UNANIMOUSLY.

MINUTES APPROVED ON: _____

CERTIFIED CORRECT BY: /s/Pamela Spencer
PAMELA SPENCER, CITY RECORDER

**MINUTES OF A VINEYARD CITY COUNCIL
PLANNING RETREAT**

Utah Valley Homebuilders Association Building
707 East Mill Road, Vineyard, Utah
February 9, 2023, at 9:16 AM

Present

Absent

Mayor Julie Fullmer
Councilmember Tyce Flake
Councilmember Amber Rasmussen (11:45 AM)
Councilmember Mardi Sifuentes
Councilmember Cristy Welsh

Staff present: City Manager Ezra Nair; Finance Director David Mortensen, City Treasurer Kristy Bayles, Accountant Koby Johnston; City Attorney Jayme Blakesley, Chief Building Official Cris Johnson, Lieutenant Holden Rockwell with the Utah County Sheriff's Office, Community Development Director Morgan Brim, City Planners Briam Amaya Perez, and Cache Hancey; Public Works Director Naseem Ghandour, Staff Engineer Emily Kofoed, Environmental Utilities Supervisor Karl Patten, Streets Manager Chris Thomas, Water and Irrigation Manager Sullivan Love, Arborist George Schramm; Parks and Recreation Director Brian Vawdrey, Parks Manager Preston Jensen, Special Events Coordinator Anna Nelson; City Recorder Pamela Spencer; Human Resources Manager Corrie Steeves; Social Media Coordinator Bethany Bee, Communities that Care Coordinator Jessica Maxwell, and Mayor's Assistant Natalie Allen

1. ARRIVE & WELCOME BREAKFAST

Mayor Pro-tempore Welsh opened the meeting at 9:16 AM. Councilmember Flake gave the invocation and Mayor Pro-tempore Welsh led the Pledge of Allegiance. She then turned the time over to City Manager Ezra Nair.

Mr. Nair explained the agenda for the day and dismissed everyone to get breakfast.

2. DEPARTMENT YEARLY REVIEWS

The Department reviews started at 9:41 AM, where each department gave their yearly reviews.

The group took a break at 11:45 AM

The meeting resumed at 12:05 PM.

3. GOALS & PRIORITIES DISCUSSION AND SMALL PROJECT IDEA

Mr. Nair had the mayor and City Council write down what they campaigned and learned about, their values and what they saw happening in the next budget year. He had staff write down their needs and wants. There was a brief discussion about the small project ideas.

The group to a lunch break at 12:30 PM.

4. STATE OF THE CITY / TIME CAPSULE 1:00 PM to 2:00 PM

After the lunch break the mayor, City Council and staff meet at the cauldron at the roundabout in front of the Megaplex for a time capsule ceremony.

The meeting resumed at 2:21 PM.

Mayor Fullmer and Councilmember Sifuentes returned at 2:51 PM.

5. GENERAL CITY COUNCIL DISCUSSION

Recap of the discussion:

****Installing shade structures over the playground at Penny Springs and Grove Park.**

Surveying the park to see what open space is being used the most to make a plan for future shade structures over strategic open areas.

A comprehensive shade plan for our existing parks and requiring them for future parks.

A long-term plan for trees in our parks.

A citywide bench plan that prioritizes having areas of pedestrian refuge every ¼ mile throughout the city and identifying 3-4 zones where we can install benches this year.

****Improving the slide hill, potentially with a scaled down design if needed.**

****Installing bike racks at the school bus stops by city hall and at the intersection at Sunset Drive and Center Street.**

Providing a storage shed and preparing additional fields for the Parks & Rec department.

****Beginning construction on the fire station with a budget that is as cost efficient as possible.**

****Creating an economic package that:**

- builds off of our relationship with the Utah Valley Chamber of Commerce

- gets us more involved with Silicon Slopes and World Trade Center Utah

- helps us target specific industries that would benefit our city and region

- plans our 3D airspace

- includes more investment in our economic development efforts.

- Flipping Park strips and getting grants to maximize funding for flip the strip programs for the city and residents w/ increased education on localscapes, edible landscaping, and other sustainable initiatives.
- Completing our road crossings.
- Getting a meter maid (and all supporting items, vehicle, uniform, badge, etc.) & completing a citywide parking study that provides us options for more effective use and management of spaces. Creating a parking program that addresses the issues we're facing.
- Improving relationships with HOA's to include more outreach to high-density residents. Organizing and managing town halls at various locations throughout the city with individual council members and staff to improve outreach.

****Implementing a communication policy to support positive engagement with staff, council, and residents and ensure that staff and council are all on the same page with responses to residents particularly on Podium and social media. This would include regularly scheduled communications sync meetings.**

****Changing vendors for our city website to improve the design functionality and ability to edit it and creating a separate website for economic development.**

6. TEAM BUILDING

Mr. Nair dismissed the group at 4:15 PM for a golf team-building activity.

7. ADJOURNMENT

The meeting adjourned at 5:00 PM.

MINUTES APPROVED ON: _____

CERTIFIED CORRECT BY: /s/Pamela Spencer
PAMELA SPENCER, CITY RECORDER



VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: 2-22-2023

Agenda Item: 6.3 - Planning Services Consultant

Department: Development Services, Community Development

Presenter: Rachel Stevens, Planning Technician

Background/Discussion:

Due to the rapid growth of Vineyard, there is a need for many technical planning projects, which from time-to-time the Community Development Department requires additional professional support. The projects may include tasks such as general plan updates, neighborhood planning, active transportation planning, urban design, site planning, traffic and accessibility modeling, and feasibility studies.

City Staff posted a Request for Proposal (RFP) on the state procurement site for Planning Services (a professional services contract). Twelve proposals were received. City Staff scored the proposals on a scale of 1 (Does Not Meet Requirements) to 5 (Well Above Requirements) weighted accordingly: Service Approach (25%), Qualifications and Experience (25%), Key Personnel and Project Team (25%), and Unit Rate Evaluation (25%). As per the City's Procurement Policy, professional services contracts are selected by the best qualified rather than the lowest bidder.

Of the twelve consultants six consultants were interviewed. Each interviewed consultant was asked eight questions prior to the interview. Interviews were scored with the same scale weighted accordingly: Understanding of current planning challenges (12.5%), workflow management (12.5%), specialized planning tasks (12.5%), additional services (12.5%), cost management (12.5%), public participation process (12.5%), street redesign project (12.5%). See a summary of the average scores below.

	Proposal Score	Interview Score
Alta Planning + Design	2.70	3.73
Avenue Consultants	2.74	3.73
Blu Line Designs	2.84	4.11
CRSA	2.84	3.53
FFKR	2.91	3.55
VODA Landscape + Planning	2.90	3.44

Due to the wide variety and volume of anticipated projects, staff recommend selecting multiple consultants. Based on each firm's proposal, interview, and discussion with staff the five consultants listed below are recommended. It is intended to award projects to firms based on qualifications and cost.



VINEYARD CITY COUNCIL STAFF REPORT

Alta Planning + Design is currently working on the City's Active Transportation Plan and offers expertise in active transportation planning, public participation, urban design, travel demand and traffic and accessibility modeling, corridor plans, and grant funding.

Avenue Consultants offers expertise in public participation, active transportation planning, neighborhood planning, travel demand and traffic and accessibility modeling, mapping and graphics production, feasibility studies, and grant funding.

Blu Line Design offers expertise in general plan updates, housing plans, urban design, site plans, code updates, travel demand and modeling, mapping and graphics production, and corridor and small area plans.

CRSA offers expertise in general plan updates, housing plans, massing studies, architecture, urban design, and small area plans.

FFKR is currently designing the City's Boardwalk Park and oversaw the development of the Waterfront Master Plan. They also offer experience in landscape architecture, urban design, corridor plans, and small area plans.

Fiscal Impact:

The City Council budgeted \$25,000 for this fiscal year for planning services. City staff is analyzing costs of several projects to be undertaken in next year's budget and will submit an updated request to the Finance Director.

Recommendation:

City Staff recommends approval of the Planning Services contract. The City Council may choose to approve the consultants as recommended by staff or request additional information regarding the recommended consultants or other consultants that submitted proposals.

Sample Motion:

I move to adopt Resolution 2023-08, authorizing the City Manager to enter into a contract with Alta Planning + Design, Avenue Consultants, Blu Line Design, CRSA, and FFKR to provide Planning Services to Vineyard City for a one (1) year period with an option for renewal each following year for up to four (4) additional years.

Attachment:

Resolution 2023-08

RESOLUTION 2023-08

A RESOLUTION OF THE VINEYARD CITY COUNCIL AWARDING THE BID TO ALTA PLANNING + DESIGN, AVENUE CONSULTANTS, BLU LINE DESIGN, CRSA, AND FFKR FOR PLANNING SERVICES CONSULTING SERVICES.

WHEREAS, notice to bidders has been duly given as required by law; and

WHEREAS, after consideration of all bids filed, it was determined that Alta Planning + Design, Avenue Consultants, Blu Line Design, CRSA, and FFKR were the best bidders for the services as is herein outlined.

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF VINEYARD AS FOLLOWS:

Section 1. The bid be awarded to Alta Planning + Design, Avenue Consultants, Blu Line Design, CRSA, and FFKR for Planning Services as outlined in the staff report and the winning proposal for a one (1) year period with an option for renewal each following year for up to four (4) additional years. With a fiscal impact of \$25,000 for Fiscal Year 2022-2023 and up to an amount approved by the City Council for Fiscal Year 2023-2024.

Section 2. The City Manager is hereby authorized and directed to execute the contract with Alta Planning + Design, Avenue Consultants, Blu Line Design, CRSA, and FFKR for Planning Services as is herein referred to.

Section 3. This resolution shall take effect upon passing.

Passed and dated this 22nd day of February 2023.

Mayor

Attest:

Recorder

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: February 22, 2023

Agenda Item: 9.1 The Forge Development Agreement

Department: Community Development Department

Presenter: Morgan Brim

Applicant: Dakota Pacific Real Estate

Background/Discussion:

The applicant, Dakota Pacific, is proposing an updated master plan for the Forge mixed use project of 38 acres north of the Megaplex Theater. This plan continues the city's focus on small block sizes and enhanced pedestrian accessibility. The agreement will put forth a plan for infrastructure improvements and new residential and commercial development. While this Development Agreement (DA) is separate from the Tax Increment Financing Agreement (TIF) it is anticipated they will be approved concurrently and the DA references the TIF value.

Development Agreement Elements:

This agreement sets forth a new vision and master plan for the Forge project area. This agreement does not include the IHC block G which is owned separately. The project area is served by a public street, 650 North, to the south of the site and by private streets internally.

➤ Land Uses

Several land uses are proposed for the project area including retail, dining, entertainment, professional office, hotel, and residential. A central modification from the zoning ordinance removes the requirement for two-thirds of the building square footage to be dedicated towards commercial uses. The applicant has indicated the market for professional office has changed significantly which decreases the demand for a project weighted toward commercial and proposes up to 1,500 multifamily units with a decreased amount of commercial. The agreement provides for short-term rental units within the development which serves a hybrid commercial-type use as the city would benefit from transient room tax and the purchasing power of visitors within the retail district. The agreement contemplates the creation of a retail corridor and designates areas for street frontage retail. Two urban plazas are provided centrally in the property anchored by dining.



Ground floor areas must include at least 50% commercial square footage of the overall project and not less than 20% of the ground floor square footage in any block. Phase one of the project allows

VINEYARD CITY COUNCIL STAFF REPORT

3-acres or 300 dwelling units, whichever comes first, to be constructed with 30 square feet of commercial per unit.

➤ Open Space/Public Use

The proposal includes unique open spaces enhanced with amenities geared toward visitors, employees, and residents of the project. The project contains a central shared street running east to west through property between Mill Road and Geneva Road. The street will be designed with unique surfaces, landscaping, and significant attention to the pedestrian experience. The shared street is bookended by parks on the east and west sides of the project area. Residential buildings will contain courtyard spaces programmed with amenities for their residents. The applicant is proposing a land dedication of a 1-acre public park on the south side of block H. The city is working with the developer to include a future fire and police station and language has been added to the agreement ensuring both the city and developer work in good faith towards a land purchase. An alley running through block F will provide pedestrian only access. This corridor will be programmed with dining and social gathering areas. It also serves to enhance connections with the Yard development to the south.

➤ Parking

The applicant is proposing parking structures within most blocks of the project area. Roadways will contain on street parking to provide efficient access to retailers. A portion of the property may contain surface parking. The applicant indicated they are trying to add a grocery store to the project and noted surface parking would be included. The Planning Commission requested a parking management plan to be approved with the first project site plan. The commission additionally requested a parking study like what was incorporated into the Vineyard Downtown Zoning Code. This study would occur following an early residential phase occupancy to determine project parking requirements. The study would automatically amend parking requirements to right size parking inventory of later phases.

Planning Commission and City Council Review:

A public hearing was held before the Planning Commission on January 18, 2023, and City Council on January 25, 2023. Members of the public spoke during these hearings. One citizen spoke in favor of the project and noted additional multifamily is positive for the city. Other citizens indicated their concern regarding parking, transportation, and lack of transit. General concerns regarding utility capacity for power, water, and wastewater were expressed. Building height was mentioned as a concern with potential for blocking views of mountains to the east.

The public hearings were officially closed, and the application was continued to a future meeting. The commission requested a final draft of the development agreement with all forthcoming amendments requested by staff and those mentioned in the public hearing. The updated agreement includes the following changes:

- Defining modification process to the concept plan of the Development Agreement
- Including commercial uses with phase one of the development
- Change to reference City's Future Laws instead of City Vested Laws as it relates to signs and short term rentals
- Adding a provision for parking management plan and a study to occur at specific phases of the project

VINEYARD CITY COUNCIL STAFF REPORT

- Baseline improvements for the public park are clarified
- Impact fees to be assessed at the time of building permit fees.
- Utility and infrastructure studies
- City to consider land purchase for future public safety facility
- Detention facilities not counting towards open space, unless the facilities are provided underground, and it is determined the quality of the open space is maintained.
- Clarifying phasing of open space and amenities
- Update the concept plans to be consistent between exhibits
- Language indicating the developer will work with the city and UTA to enhance transit access to the project

Recommendation & Additional Options:

Staff recommends approval of the development agreement with the proposed modifications.

The following options are available for the City Council's consideration:

Option 1:

Approval of the development agreement as proposed.

Option 2:

Approval of the development agreement with modifications.

Option 3:

Denial of the development agreement.

Sample Motion:

"I move to approve Resolution 2023-09 The Forge Development Agreement, as presented."

Or

"I move to approve Resolution 2023-09 The Forge Development Agreement, with the following modifications..."

Or

"I move to deny Resolution 2023-09 The Forge Development Agreement"

Attachments:

Resolution 2023-09

Development Agreement and Concept Plan

RESOLUTION 2023-09
A RESOLUTION OF THE CITY OF VINEYARD, UTAH
ESTABLISHING A DEVELOPMENT AGREEMENT BETWEEN
VINEYARD CITY AND COTTONWOOD GENEVA LLC.

WHEREAS, Vineyard is authorized to enter into a development agreement with for the betterment of the public with land developers; and

WHEREAS, the Planning Commission held a public hearing on January 18, 2023, and after fully considering public comment and staff analysis recommended approval to the City Council on February 1, 2023; and

WHEREAS, the City Council having reviewed the proposed development agreement, held a public hearing on January 25, 2023; and

WHEREAS, the City Council having considered the recommendation of the Planning Commission and submitted comments and testimony from the public, having determined that it is in the best interest of the public, adopts the proposed development agreement on February 22, 2023.

NOW, THEREFORE, be it resolved by the City Council of Vineyard, in the State of Utah, as follows:

Section 1. Approval: The City Council of Vineyard City hereby approves the attached development agreement.

Section 3. Severability Clause. If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution; and all sections, parts, and provisions of this Resolution shall be severable.

Section 4. Effective Date. This Resolution shall be in full force and effect from February 22, 2023, and after the required approval and publication according to law.

PASSED AND ADOPTED BY THE VINEYARD CITY COUNCIL ON THIS 22nd DAY OF FEBRUARY 2023.

Presiding Officer

Attest

Julie Fullmer, Mayor, Vineyard

Pamela Spencer, City Recorder

WHEN RECORDED, RETURN TO:

c/o Dakota Pacific
Attn: Scott Swallow
299 S Main St., Ste. 2450
Salt Lake City, UT 84111

**DEVELOPMENT AGREEMENT
FOR
THE FORGE**

THIS DEVELOPMENT AGREEMENT (“DA”) is made and entered into by and between VINEYARD CITY, a political subdivision of the State of Utah, and Cottonwood Geneva LLC, a Utah limited liability company, and made effective as of the Effective Date.

RECITALS

A. The capitalized terms used in this DA and in these Recitals are defined in Section 1.2 below.

B. Developer owns the Property.

C. The Property is located within the boundaries of Vineyard City, Utah.

D. Developer is developing the Property as a mixed-use development. Developer and the City desire that the Property be developed in a unified and consistent fashion pursuant to the applicable Zoning and this DA.

E. The Parties desire to facilitate the development of the Project through the potential use of special financing vehicles, including, but not limited to, those provided for in Titles 17C of the Utah Code.

F. Developer has prepared that certain Concept Plan for the Property, which is attached hereto as Exhibit B.

G. The Parties acknowledge that development of the Property pursuant to this DA will result in positive economic benefits to the City and its residents by, among other things, requiring orderly development of the Property as a master planned development and increasing property tax and other revenues to the community based on improvements to be constructed on the Property.

H. The Parties desire to enter into this DA to more fully specify the rights and responsibilities of Developer to develop the Property as expressed in this DA, and the rights and responsibilities of City to allow and regulate such development pursuant to the requirements of this DA and all other applicable laws.

I. The Parties understand and intend that this DA is a “development agreement” within the meaning of the Act and entered into pursuant to the terms of the Act.

J. The City finds that this DA and the Concept Plan conforms with the intent of the City’s General Plan and the Zoning.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree to the following:

TERMS

1. **Incorporation of Recitals and Exhibits: Definitions.**

1.1 **Incorporation.** The foregoing Recitals and all Exhibits are hereby incorporated into this DA.

1.2 **Definitions.** As used in this DA, the words and phrases specified below shall have the following meanings:

1.2.1 Act means the Municipal Land Use, Development, and Management Act, *Utah Code Ann.* § 10-9a-101 (2019), *et seq.*

1.2.2 Applicant means a person or entity submitting a Development Application.

1.2.3 Area Median Income (AMI) means the Provo–Orem, Utah, Metropolitan Statistical Area median income as determined annually by the Department of Housing and Urban Development.

~~1.2.3~~ 1.2.4 Association means an entity that Developer may establish to operate and maintain common areas or open spaces of the Project.

~~1.2.4~~ 1.2.5 Budget means the Geneva Urban Renewal Project Area Budget.

~~1.2.5~~ 1.2.6 Buildout means the completion of all of the development, both residential and commercial, on the entire Project in accordance with this DA.

~~1.2.6~~ 1.2.7 City means Vineyard City, Utah, a Utah political subdivision.

~~1.2.7~~ 1.2.8 City Council means the elected Vineyard City Council.

~~1.2.8~~ 1.2.9 City's Future Laws means the ordinances, policies, standards, and procedures that may be in effect as of a particular time in the future when a Development Application is submitted for a part of the Project and which may or may not be applicable to the Development Application depending on the provisions of this DA.

~~1.2.9~~ 1.2.10 City's Vested Laws means the ordinances, policies, standards, and procedures of the City in effect as of the Effective Date.

~~1.2.10~~ 1.2.11 Concept Plan means the graphic depiction of the Project to be developed on the Property as generally shown on Exhibit B attached hereto, and as may be amended or supplemented from time to time.

~~1.2.11~~ 1.2.12 DA means this Development Agreement, including all of its Exhibits.

~~1.2.12~~ 1.2.13 Default means a material breach of this DA as specified herein.

~~1.2.13~~ 1.2.14 Denial means a formal denial issued by the final decision-making body of the City for a particular type of Development Application, excluding review comments or “redlines” by City staff.

~~1.2.14~~ 1.2.15 Developer means Cottonwood Geneva LLC, a Utah limited liability

company, and its assignees or transferees as permitted by this DA.

~~1.2.15~~1.2.16 Developer's Reimbursable Expenses means all costs incurred by Developer in developing, acquiring, or installing Project structured parking improvements as required by the Zoning, Project common area elements (public or private) improvements, or Project open space (public or private) improvements, or Public Infrastructure, as well as other costs and expenses described and allowed under the Project Area.

~~1.2.16~~1.2.17 Development means the development of all or a portion of the Property pursuant to one (1) or more approved Development Applications.

~~1.2.17~~1.2.18 Development Application means a complete application to the City for development of all or a portion of the Project, including a Final Plat, or any other permit (including, but not limited to, site plans, building permits or conditional use permit), certificate or other authorization from the City required for Development of the Project.

~~1.2.18~~1.2.19 Effective Date means the date this DA is approved by the City Council.

~~1.2.19~~1.2.20 Final Plat means the recordable map or other graphical representation of land prepared in accordance with *Utah Code Ann.* § 10-9a-603, or any successor provision, and approved by the City, effectuating a subdivision of any portion of the Project.

~~1.2.20~~1.2.21 Final Unit Count means the total number of Units within the Project, which number shall be no more than the Maximum Units.

~~1.2.21~~1.2.22 Ground Floor Area means the square footage measurement of the developable portion of each Parcel, which shall exclude roads, rights-of-way, utility easements, surface parking, exterior common area elements (public or private), and open space (public or private). Developer will plan and designate Ground Floor Area as residential or non-residential/commercial in each Parcel, and a single Parcel may contain both residential and non-residential Ground Floor Area.

~~1.2.22~~1.2.23 Ground Floor Commercial Street means a private or public road where the ground floor of buildings within the Project facing said road are required to have non-residential/commercial uses on the ground floor. Designated Ground Floor Commercial Streets are shown on Exhibit C.

~~1.2.23~~1.2.24 Intended Uses means the use of all or portions of the Property for multifamily residential; nonresidential, commercial (including, without limitation, short-term rentals also known as short-term residential lease, retail, and associated facilities); and all other uses approved by the City in accordance with the City's Vested Laws.

~~1.2.24~~1.2.25 Maximum Units means the Development of Units on the Property of a maximum of one thousand five hundred (1,500) Units.

~~1.2.25~~1.2.26 Notice means any notice to or from any Party to this DA that is either required or permitted to be given to another Party.

~~1.2.26~~1.2.27 Parcel means a portion of the Property that is created by Developer for Development according to the Concept Plan.

~~1.2.27~~1.2.28 Party/Parties means, in the singular, either Developer or the City; in the

plural, Developer and the City.

~~1.2.28~~1.2.29 Plan means the Geneva Urban Renewal Project Area Plan.

~~1.2.29~~1.2.30 Private Roadways means roadways constructed throughout the Project that are not Public Infrastructure and which will be owned and maintained by an Association or by the owner of the property subject to the Private Roadway.

~~1.2.30~~1.2.31 Project means the total development to be constructed on the Property pursuant to this DA with the associated public and private facilities, and all of the other aspects approved as part of this DA.

~~1.2.31~~1.2.32 Project Area means the Geneva Urban Renewal Area created under Title 17C of the Utah Code.

~~1.2.32~~1.2.33 Property means the real property owned by and to be developed by Developer more fully described in Exhibit A.

~~1.2.33~~1.2.34 Property Increment means the Tax Increment generated by development within the Property and received by City's Redevelopment Agency and pursuant to an interlocal or other agreement to be executed by any applicable taxing entities in the Project Area.

~~1.2.34~~1.2.35 Public Infrastructure means those elements of infrastructure that are planned to be dedicated to the City or other public entities as a condition of the approval of a Development Application, which may include, but shall not be limited to culinary water and sanitary sewer improvements; storm water improvements; utility infrastructure of every type including, without limitation, electric, gas, fiber, and other communications utilities; road infrastructure, including without limitation, bridges and underpasses; street lighting and landscaping; and dedications of land for excess capacity in system improvements or excess capacity in improvements accommodating uses outside of the Project.

~~1.2.35~~1.2.36 Redevelopment Agency or Agency means the Vineyard Redevelopment Agency.

~~1.2.36~~1.2.37 Subdeveloper means a person or entity not "related" (as defined by Section 165 of the Internal Revenue Code) to Developer who purchases a Parcel for development.

~~1.2.37~~1.2.38 Tax Increment has the same meaning set forth in Utah Code § 17C-1-102(61) which is:

. . . the difference between:

(i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property and each taxing entity's current certified tax rate; and

(ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property and each taxing entity's current certified tax rate.

~~1.2.38~~1.2.39 Unit means a structure or any portion thereof designed and constructed for multifamily occupancy as a residence ~~or short-term, commercial occupancy~~, and located in one (1) or more buildings within the Project in the locations set forth on the Concept Plan.

1.2.1 **Zoning** means The Forge Mixed-Use District (FMU) zoning of the Property as further set forth in the City's Vested Laws.¹

2. **Development of the Project.**

2.1 **Compliance with this DA.** The Zoning and this DA establish and vest the development rights for the Project, including the general use, maximum density, and general configuration for the Project. Development of the Project shall be in accordance with the City's Vested Laws, the City's Future Laws (to the extent that these are applicable as otherwise specified in this DA), the Zoning, and this DA. City agrees that Developer shall have the full power and exclusive control of the Property.

2.2 **Parcels Sold to Subdevelopers.** Developer may elect to sell one or more Parcels to a Subdeveloper, and any Parcel sold by Developer to a Subdeveloper shall include the transfer of the right and obligation to develop such Parcel in accordance with this DA.

2.3 **Phasing; Configuration.** Developer shall have the right to determine the timing, sequencing, and phasing of the Project; provided, however, each phase of the Project shall be subject to and comply with applicable Zoning standards that are not in conflict with the terms and provisions contained in this DA. The Property may be developed for all of the Intended Uses, as well as all uses approved by the City in accordance with the City's Vested Laws. Subject to the terms of this DA and the Zoning, City and Developer expressly agree that following acceptance and recordation of this DA, Developer shall have the ability to adjust the Concept Plan including variations to the exact locations and densities of the Units, building locations, exact locations of open space and parking, roads and rights-of-way and changes to building size, but in no event shall the Final Unit Count within the Project exceed the Maximum Units. Developer may modify the Private Roadways from what is depicted in the Master Plan to provide adequate connectivity throughout the Project. Notwithstanding the immediately preceding two sentences, Developer may not adjust the Concept Plan or site plan with respect to the "Anchors"² identified in Exhibit E to this DA without City staff administrative approval. Open Space, as defined in this DA, specifically the provisions and figure set forth in Section 2 of Exhibit E, shall be improved no later than the Development of immediately adjacent building(s), structure(s), Parcel(s); however, Developer may, in lieu of completing such immediately adjacent Open Space, provide the City a bond in the amount of 110% of the estimated cost, as determined by a qualified estimator, to complete the directly adjacent Open Space if the Developer provides evidence that other near-term construction will affect the Open Space to be installed. In addition, if there is a break in continuity of pedestrian pathways within a Parcel block through undeveloped Project areas, Developer shall provide temporary means, which are reasonably acceptable to the City, for functional use of the pedestrian pathway.

2.4 **Zoning.** City agrees that The Forge Mixed-Use District (FMU) Zoning district accommodates and allows the Intended Uses, and development rights to locate the Intended Uses in the general areas configured in the Concept Plan, as more particularly set forth below. City agrees that the Zoning, as applicable to the Project, shall be modified as set forth in Exhibit D attached hereto. If there is a conflict between the Zoning and Exhibit D to this DA, then Exhibit D to this DA shall control.

2.5 **Maximum Units.** Subject to this Section 2, at Buildout, Developer shall be entitled to have developed Units within the Project up to the Maximum Units.

¹ NTD: City comment: "should include any other applicable zoning provisions" – Developer response: this definition is limited to the zoning ordinance; the definition of "City's Vested Laws" appears to cover what is requested in this comment.

² NTD: "Anchors" to be identified in Exhibit E – roadway connectivity, pedestrian connectivity, primary areas (shared street, plaza, alley, etc.), amount of space, and others.

2.6 **Ground Floor Area.** At Buildout, the Ground Floor Area of each Parcel shall be at least fifty percent (50%) non-residential/commercial. The percentage of non-residential/commercial Ground Floor Area within the portion of the Project for which Development is completed shall not be less than twenty percent (20%) at any point in the timeline of Development of the Project. Notwithstanding the immediately preceding sentence, Developer may develop and construct up to three (3) acres of the Project as residential Ground Floor Area or three hundred (300) Units, whichever comes first, in an initial phase of the Project together with developing or constructing non-residential/commercial Ground Floor Area equal to at least 30 square feet for each residential Unit within such initial phase of the Project.

2.7 **Ground Floor Commercial Streets.** The Ground Floor Commercial Streets shall be developed and constructed in the locations as set forth on Exhibit C attached hereto.

2.8 **Development Standards and Design Guidelines.** Exhibit E attached to this DA establishes specific development standards and design guidelines, including, without limitation, the locations and design standards for the common area elements or open spaces of the Project, and shall apply to all Parcels within the Project. If there is a conflict between the Zoning and Exhibit E to this DA, then Exhibit E to this DA shall control. Common area elements or open spaces in a Parcel shall be constructed promptly after completion of any adjacent vertical construction of residential or non-residential structures in the same Parcel. Upon completion, Developer agrees to subject the portions of the Project common area or open space indicated in the Concept Plan to a public access easement, in favor of the City. The form and content of such public access easement shall be subject to each of the Parties' reasonable approval and such public access shall be of record with the Utah County Recorder's Office. The City and Developer acknowledge that a portion of the Project common area or open space, as depicted in the Concept Plan ("**External Open Space**") may be located outside of the City's current municipal boundaries. Such portion of the External Open Space, if owned or controlled by Developer, shall qualify toward the open space requirement under the Zoning, and Developer agrees to subject such portion of the External Open Space to an open space deed restriction and covenant, in favor of the City, allowing no buildings, structures, parking areas, streets, or roads, and only allowing underground utilities and open space uses in compliance with the City's Vested Laws, except as approved by the legislative body.³ The form and content of such restriction and covenant shall be subject to the City's reasonable approval and such restriction and covenant shall be of record with the Utah County Recorder's Office. Developer also agrees to cooperate with the City, at no more than minimal cost to Developer and without Developer incurring any liability, in any City action to include such portion of the External Open Space within the City's municipal boundaries, by municipal boundary line adjustment, annexation, or otherwise, if the City elects to pursue such action.

2.9 **Signage.** Signs are allowed within the Project pursuant to the processes and standards set forth within the sign ordinance section of the [City's Vested Laws⁴]City's Future Laws in effect at the time of submission of the applicable Development Application which are not more restrictive to the Project under the City's Vested Laws, or as approved as part of a comprehensive sign plan submitted by Developer to the City for administrative approval. The comprehensive sign plan shall be approved prior to the issuance of the first building permit within the Project.

2.10 **Short Term Residential Lease.** If the City enacts an amendment to the Zoning or City's Vested Laws allowing for the use of the Units as short-term rentals, also known as short-term residential lease, as a permitted use, then Developer may convert any Unit to short-term rentals, also known as short-term residential lease, subject to and in accordance with any such City's Future Laws.

³ NTD: Developer note: Need this language for the 45' strip of land along Geneva Road

⁴ NTD: alternative language being considered by Developer: "City's Future Laws in effect at the time of submission of the applicable Development Application"

2.11 **Roadway and Parking Improvements.** Developer shall construct, or cause to be constructed, all Private Roadways within the Project that are necessary for the connectivity and development of the Project, and parking improvements as required by the Zoning. All amounts expended by Developer for the structured parking improvements as required by the Zoning shall be classified as Developer's Reimbursable Expenses and may be reimbursed to Developer by revenues generated by the Project Area as described in Section 4 below.

2.12 **Rescission Option.** It is anticipated that vertical construction within the Project will begin no later than July 31, 2024. If the City has not issued a building permit, and there has not been commencement of vertical construction under such building permit, on the Property on or before December 31, 2025 ("**Outside Date**"), then either Party may deliver notice to the other Party and the City and Developer shall meet within fifteen (15) business days after the delivery of such notice to discuss in good faith the status and circumstances of Project commencement or an extension of the Outside Date. If the Parties do not agree at such meeting to an extension of the Outside Date, then either Party may deliver notice to the other Party of rescission to the other Party to terminate this DA. Any such rescission must be hand-delivered, if at all, no later than thirty-two (32) days after the date of the meeting referenced in this subsection. Upon a Party's delivery of notice of rescission pursuant to this subsection, this DA shall automatically terminate whereupon the Parties shall have no further rights or obligations under this DA.

2.13 **Parking.**

2.13.1 Parking Management. The Developer shall submit to construct and maintain all Project parking in accordance with a City-approved parking management plan, which shall be approved by the City Planning Commission no later than the approval of the Development Application for the first site plan containing residential Units. The parking management plan shall include provisions for administration of the Project parking, including, without limitation, parking space allotment and usage monitoring, shared parking provisions, security provided, towing and enforcement plan, and signage delineating parking requirements. All parking shall be actively managed in accordance with the parking management plan. Developer will record the approved parking management plan as a covenant against the Property.

2.13.2 Parking Study.⁵ [Note – Developer is assessing the impact on ability to raise capital due to increased uncertainty, we understand the City's concern] The parking requirements set forth in Section 4.08.10.a of the Zoning, as modified by this DA, may be modified as provided in this Section 2.13.2. A parking study shall be conducted within 180 days after occupancy in the Project, as reasonably verified by Developer, of each of the following residential Unit amounts: 300 and 600 residential Units.⁶ Developer may also submit a parking study to the City for its reasonable approval at any time. Each parking study shall be completed by a qualified professional with demonstrated experience in conducting parking studies (a "parking expert"). The parking expert and the criteria for the parking study shall be established jointly in good faith by the City and the Developer. If the City and the Developer cannot agree on a parking expert or the criteria for the parking study, then the dispute shall be resolved as follows: the City and the Developer shall each nominate a parking expert within thirty (30) days from the date of a request for a parking study. The two parking experts shall consult and select a third parking expert to conduct the parking study. The selected parking expert shall conduct the parking study using criteria he or she develops following

⁵ NTD: Developer is confirming that we can accept this requirement. Researching the means and methods used for these studies and if we need to get more specific on how these studies are to be conducted.

⁶ NTD: After 600 units we should understand parking demand for the area well. Developer would also like the right to submit a new parking study if surrounding shared uses have changed significantly. For example, the project adds an office building which adds shared parking capacity.

consultation with the City and the Developer, which parking study shall be used to establish new parking requirements. To avoid the need to re-select a parking expert, the parking expert agreed upon by the Parties shall continue to function in the capacity as parking expert hereunder and the process of selecting a parking expert shall not occur more frequently than at seven-year intervals unless the previously-employed parking expert is unable to function in such capacity. The results of the parking study will modify the parking requirements of section 4.08.10.a of the Zoning if the parking study requires parking different than previously required in the Zoning, and the values of the parking study will govern the minimum parking requirements for future Development Applications.

2.14 Affordable Housing Requirements. The Project shall be constructed to comply with the following affordable housing requirements. Developer shall construct, allocate, and regulate affordable/workforce housing in accordance with this Development Agreement. Each affordable housing Unit constructed within the Project shall be subjected to deed restriction or affirmative covenant, or by other desired mechanisms to provide record notice of restrictions, including appropriate sales and resale restrictions, rental rate restrictions, and other appropriate measures so as to ensure that the affordable housing Units are in compliance with this DA and remain affordable to those employed in the area for a period equal to the reimbursement period for the Property Increment set forth in the participation agreement between Developer and the Redevelopment Agency, as contemplated in Section 4.1 below. Below are the standards the Developer shall use for satisfying its obligation to provide affordable/workforce housing:

2.14.1 _____ () for-rent affordable housing Units (“AHU’s”).

2.14.2 All AHU’s shall be rented to households earning 60% AMI or below.

2.14.3 The total number of AHU’s to be provided may be increased if (i) the City and Developer agree on a location to allow surface parking within the Project for the AHU’s; (ii) the Parties agree on the increased number of AHU’s to be provided, which shall be based on the Developer’s calculation of the value of the reduced construction cost for AHU’s parking as surface parking rather than structured parking; and (iii) the approval of an amendment to this DA to provide for such surface parking and increased number of AHU’s, as agreed.

2.14.4 In the alternative to Section 2.14.3, the City may request that the Developer provide that the Project AHU’s be rented to households earning 70% AMI. If such a request is made, (i) this Section 2.14.4 shall govern over Sections 2.14.1 and 2.14.2, (ii) the AHU’s shall be rented to households earning 70% AMI or below, and (iii) Developer will provide additional AHU’s in an amount such that the Developer’s total contribution toward AHU’s, as reasonably calculated by Developer, for the Project is substantially the same as it would have been if the AHU’s were rented to households earning 60% AMI.

2.14.5 The AHU’s shall be delivered with each phase of Development that includes residential Units at a ratio of no less than one (1) AHU per sixty (60) market rate Units, up to the maximum required by this DA; however, the Developer may agree on a different delivery schedule.

2.14.6 All renters of AHU’s will be required to certify annually to the City, or its designee, that they still qualify for the targeted percentage of AMI. Unless contrary to a federal or state program providing financial assistance to the rental property, if a renter no longer qualifies for the housing, they will be granted a one year safe harbor period. Upon expiration of the safe harbor period their lease will not be renewed, and the AHU will then be made available to a qualifying renter.

2.14.7 Subject to applicable law, Developer may offer AHU’s with a priority to individuals employed as first responders or teachers, as verified by one form of proof of employment, and Developer may record an affirmative covenant, or by other desired mechanisms to provide record notice of such priority, including appropriate sales and resale restrictions, rental rate restrictions, and other appropriate measures so

as to ensure that the dwelling units are oriented toward persons employed in the such capacities.

3. **Vested Rights.**

3.1 **Vested Rights Granted by Approval of this DA.** To the maximum extent permissible under the laws of Utah and the United States and at equity, the Parties intend and agree that this DA grants and confirms that Developer is vested with all rights to develop the Project in accordance with and in fulfillment of this DA, the City's Vested Laws, and the Zoning of the Property, except as specifically provided herein. The Parties specifically intend that this DA grant to Developer the "vested rights" identified herein as that term is construed in Utah's common law and pursuant to *Utah Code Ann.* § 10-9a-509 (2019). As of the Effective Date, City confirms that Developer is vested with the Intended Uses and the uses in the FMU Zoning as in effect and made applicable to Property as of the Effective Date. Subject to Section 2.5 above, City further confirms that Developer is vested with the right to locate buildings of the type described and generally depicted, along with contemplated configurations, and densities consistent with Zoning, this DA, and the City's Vested Laws. By way of further clarification, Developer is vested with the right to develop and locate on the Property the Intended Use(s) and densities, including, among other provisions, Developer's ability to increase Unit density to the Maximum Units, and to develop in accordance with dimensional requirements as allowed by City's Vested Laws. The Parties intend that the rights granted to Developer hereunder are contractual vested rights and include the rights that exist as of the Effective Date under statute, common law and at equity. The Parties acknowledge and agree this DA provides significant and valuable rights, benefits, and interests in favor of Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses, potential rights for new improvements, facilities, and infrastructure, to assist in the development of the Property.

3.2 **Exceptions.** City's Future Laws with respect to development or use of the Property shall not apply, except as follows:

3.2.1 **Developer Agreement.** City's Future Laws that Developer agrees in writing apply to the Project;

3.2.2 **State and Federal Compliance.** City's Future Laws that are generally applicable to all properties in the City's jurisdiction and that are required in order to comply with state and federal laws and regulations affecting the Project;

3.2.3 **Codes.** The City's engineering requirements, approval, and supplemental specifications for public infrastructure, and any City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, drainage, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the state or federal governments and are otherwise required to meet legitimate concerns related to public health, safety or welfare;

3.2.4 **Taxes.** Lawful taxes, or modifications thereto, provided that nothing in this DA shall be construed as waiving or limiting in any way Developer's right to challenge taxes imposed by the City, which right is hereby reserved;

3.2.5 **Fees.** Changes to the amounts of fees for the processing of Development Applications that are generally applicable to all development within the City's jurisdiction (or a portion of the City's jurisdiction as specified in the lawfully adopted fee schedule) and that are adopted pursuant to state and local law.

3.2.6 **Impact Fees.** Impact Fees or modifications thereto that are lawfully adopted, imposed, and collected by the City or any other lawful agency, district, or public utility.

3.2.7 **Compelling, Countervailing Interest.** Laws, rules, or regulations that the City's land use authority finds, on the record, are necessary to avoid jeopardizing a compelling, countervailing public interest pursuant to *Utah Code Ann.* § 10-9a-509(1)(a)(ii)(A) as proven by the City by clear and convincing evidence, of which jeopardy the City was not reasonably aware of at the time of the execution of this DA.

3.3 **Legal Challenge.** Should any third party not a Party hereto challenge this DA or the related approvals within thirty-one days (31) days of the Effective Date, Developer shall have the right to unilaterally rescind this DA by delivering notice to City no later than one-hundred-eighty (180) days of the Effective Date.

3.4 **Intent Regarding Administration and Amendment of this DA.** The Parties intend that the administration, but not the approval, of this DA and any amendments, shall be processed through administrative land use applications to be decided by the land use authority, as those terms are defined in the Act.

4. **Tax Increment Financing and Similar Assistance.**

4.1 **Project Area / Rescission Option.** The Agency and the City have created the Project Area through adoption of the Plan and the Budget, which includes the Property and other land. In conjunction with the Project Area, the City shall use reasonable efforts to approve an interlocal agreement with the Redevelopment Agency whereby the City agrees to contribute a portion of the Tax Increment generated within the Property to the Agency for purposes of Development of the Project for a period of up to thirty (30) years. The City shall also use reasonable efforts to support the Redevelopment Agency in securing the participation of other Taxing Entities under substantially similar terms to those under which the City is participating. If the Redevelopment Agency has not approved a participation agreement within one (1) year after the Effective Date in a form reasonably acceptable to Developer as contemplated by this DA, Developer may elect to terminate this DA by delivering Notice to City and upon delivery of such Notice, this DA shall automatically terminate whereupon the Parties shall have no further rights or obligations under this Agreement. The Parties shall work together in good faith to seek a participation agreement that includes the following provisions: (i) seventy-five percent (75%) of the Property Increment shall be available for reimbursement of Developer's Reimbursable Expenses and (ii) each budget for Developer's Reimbursable Expenses shall include interest of at least 8%, or such other interest rate as set forth in separate agreement with the Redevelopment Agency, from the time the cost was incurred until reimbursed to Developer. The Property Increment collection period for each individual reimbursement period shall be for a period of not less than thirty (30) years dating from the day on which the last of Developer's Reimbursable Expenses is incurred, payable, however, in accordance with the terms of the participation agreement. Developer's Reimbursable Expenses shall be reimbursable from Property Increment and County shall use its best efforts to cooperate with Developer in creating such a financing vehicle to provide Developer with the maximum amount of financial assistance allowable at law. The Project Area shall not be expanded or modified without Developer's written consent.

4.2 **Surplus Revenues.** The Parties acknowledge that from time-to-time and over the term of the Project Area or any other financing vehicle, there may be revenues generated that exceed the costs of the required Public Infrastructure. The Parties further acknowledge that it may be in the interest of both of the Parties to use, insofar as permitted by applicable law, some or all of those excess proceeds for Developer to bring in high-quality end-users by such means as assistance with tenant improvements, creation of visual

and physical amenities, and other elements that contribute to the environment of the Project. The Parties shall negotiate in good faith for the distribution of any such excess proceeds in a manner that maximizes the incentives to generate measurable results such as high-skilled and high-paying employment. Excess proceeds may also be utilized, insofar as permitted by applicable law, for the uses described in the Plan created in connection with the Project Area.

4.3 Failure of Revenues. The ability of the Project Area or other financing vehicle to generate sufficient monies to reimburse or otherwise pay the City and the Developer for costs and expenses incurred as provided in this DA is consideration for the Parties to enter into this DA and a material, integral term hereto. Should the Project Area or other financing vehicle prove unable to generate sufficient monies, the Parties agree it will render performance under this DA impossible or impracticable and pointless and shall operate either to discharge all of each Party's obligations hereunder or, at the Developer's discretion, allow them to negotiate a mutually satisfactory reformation.

4.4 Public Infrastructure District. Developer may elect to petition the City to create a Public Infrastructure District ("PID") pursuant to Utah Code § 17D-4-101 *et seq.* for the Property in addition to or in place of the Property Increment participation. The City shall review and reasonably consider Developer's petition to create the PID as an option to implement and facilitate the financing, construction, and operation of some or all of the Public Infrastructure for the Project. If Developer elects to proceed with the creation of a PID, the City shall cooperate in the formation and operation of the PID.

5. **Term of Agreement.** The initial term of this DA shall be thirty-five (35) years beginning on the Effective Date, and will automatically extend for successive periods of five (5) years each, unless either Party delivers a Notice of non-renewal within six (6) months prior to expiration of the then current term.

6. **Intentionally Omitted.**

7. **Processing of Development Applications.**

7.1 Processing of Development Applications; City Denial of a Development Application. City agrees to process the Development Applications needed for the Project as quickly as practicable under its existing processes and staffing levels, and on the condition that such Development Applications are submitted in complete form at the time of submittal. If any additional conditional use applications are required for any portion of the Project, City agrees to process such application simultaneously with any other application such as site plan or other Development Application. If the City denies a Development Application, it shall provide a written determination advising the Applicant of the reasons for denial including specifying the reasons the City believes that the Development Application is not consistent with this DA, the City's Vested Laws (or, if applicable, the City's Future Laws), or any other applicable law. City agrees to table final decision on a Development Application, rather than issuing a Denial, at the request of Developer in order to address any issues in the Development Application and to allow for the "Meet and Confer" process outlined below. Notwithstanding Vineyard Municipal Code 15.24.110, Developer may resubmit a denied Development Application after addressing the reasons for Denial communicated by the City.

7.2 Meet and Confer regarding Development Application Denials. Upon written request by Developer, the City and Developer or Applicant shall meet within fifteen (15) business days of any tabling of a Development Application or Denial to discuss how the Developer may resolve the issues specified in the tabling or Denial of a Development Application.

7.3 City Denials of Development Applications Based on Denials from Non-City Agencies.

If the City's Denial of a Development Application is based on the denial of the Development Application by a non-City agency, if Applicant chooses to appeal such Denial, the appeal shall be through the appropriate procedures for such a decision and not through the processes specified herein.

8. **Application Under City's Future Laws.** Without waiving any rights granted by this DA, Developer may at any time, choose to submit a Development Application for some or all of the Project under the City's Future Laws in effect at the time of the Development Application. Any Development Application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to the Development Application. The election by Developer at any time to submit a Development Application under the City's Future Laws shall not be construed to prevent or limit Developer from submitting under and relying on City's Vested Laws for other Development Applications.

9. **Public Infrastructure and Utilities.**

9.1 **Construction by Developer.** Other than for those elements of Public Infrastructure otherwise specified in this DA that may be constructed by the City or agencies it controls or constructed prior to the Effective Date, Developer shall have the right and the obligation to construct or cause to be constructed and installed all Public Infrastructure reasonably and lawfully required as a condition of approval of a Development Application. Developer shall be responsible for the cost of all Public Infrastructure which is roughly proportionate (as determined by law) to the impacts of the Project; the City shall be responsible for the cost of any enhancements to such Public Infrastructure that exceed the roughly proportionate (as determined by law) impacts of the Project but, for reasons of convenience or efficiency, may be constructed along with the Project. For such Public Infrastructure, the City and Developer shall memorialize their mutual responsibilities for the costs, the scope and manner of construction, and manner of reimbursement in a separate, subsequent reimbursement agreement, including without limitation, the following Public Infrastructure improvements:

9.1.1 Construction of the South Geneva Trail Park located in Block H (as so identified in the Zoning), as identified in the Concept Plan, including, without limitation, amenities such as restrooms, playground, grass, irrigation, maintenance shelter, and parking. Developer will agree to ~~donate~~dedicate up to one (1) acre of land to the City and will install the improvements for such park, provided an agreement is executed with the City or the Redevelopment Agency to reimburse the Developer upon substantial completion of such improvements, with such reimbursement or financing to be separate from that described in Section 4 above. The land donation contemplated in this Section shall occur at the earlier of (i) the recording date for the sale of land to the City in Block H, pursuant to Section 9.1.3, (ii) the first subdivision plat recorded on Block H after the Effective Date, and (iii) prior to the approval of the first site plan on Block H after the Effective Date. The location of the Park within Block H shall be determined at the time of the final plat Development Application submission. Notwithstanding anything to the contrary in the foregoing, the land donation shall not occur later than the date on which certificates of occupancy of the first 750 residential Units are issued.

9.1.2 The East Gateway Linear Park, as identified in the Concept Plan and in Exhibit E, will be located along Geneva Road, near the intersection of the Vineyard Connector, and abuts future anticipated public improvements for the City's Geneva trail system. Developer and City shall jointly work together in good faith to design the East Gateway Linear Park to provide a minimum width of fifty feet (50') between Geneva Road and the façade(s) of the adjacent buildings within the Project. Developer shall provide the features outlined in Section 4(g) of Exhibit E on the Property or, if with City approval any portion of the East Gateway Linear Park improvements are located on public-owned property, then Developer will reimburse to City or the public entity constructing the East Gateway Linear Park the value (as reasonably determined by Developer and the City engineer) of the East Gateway Linear Park

improvements to be located on public-owned property and that would otherwise be located on the Property pursuant to this DA.⁷

9.1.3 The negotiation in good faith for Developer's sale to the City of approximately 1.5 to 2.0 acres within Block H for the construction of a public safety facility. Developer and City shall commence negotiation and planning for such sale upon the Effective Date and pursue a letter of intent for such sale within [] months after the Effective Date, providing for a closing of such sale within [] months after the Effective Date.

9.1.4 Developer agrees to work in good faith to bring public transit options to the Project. The Developer also agrees to cooperate in good faith with the Utah Department of Transportation (UDOT) and applicable entities in support of pedestrian path from the Project to the Vineyard UTA Front Runner Station.

9.2 **Financial Assurances.** If, and to the extent required by the City's Vested Laws, unless otherwise provided by the Act or this DA, financial assurances for any Public Infrastructure is required by the City or an agency it controls, then Applicant shall provide it in a form acceptable to the City or the agency it controls as specified in the City's Vested Laws. Partial releases of any such required financial assurances shall be made as work progresses based on the City's Vested Laws.

9.3 **Upsizing/Reimbursements to Developer.** The Developer shall complete capacity studies for all City utilities required to serve this Project. The City shall not require Developer to "upsized" any future Public Infrastructure (i.e., to construct the infrastructure to a size larger than required to service the Project) or construct system improvements (as defined in Utah Code § 11-36a-102(21) (2020)) unless financial arrangements reasonably acceptable to Developer are made to compensate Developer for the incremental or additive costs of such upsizing, and the costs of service interruption and incidental property damage directly resulting from such upsizing or system improvements. The Developer shall not refuse any request from the City to upsize Public Infrastructure if the costs to be paid by the City for such upsizing are within industry standards. Furthermore, if approved on a case-by-case basis by the City Council, Developer shall be eligible to receive credits against impact fees or any other fees that City may assess, as compensation for any such upsizing or system improvements. The Developer shall make like sized connections to those utilities as those which are already in place. The City agrees to cooperate with Developer, and to take all reasonable actions necessary to provide the utilities to the Project at the minimum level of service required by the City Engineer. The Parties agree to comply with all applicable local, state and federal laws, rules and regulations for culinary water facilities, services, quality standards and controls. Subject to Section 3.2, all impact fees charged by the City in connection with the development of the Property and the approval of Plats or site plans shall be calculated based on the City's impact fee schedule as in effect on the Effective Date.

9.4 **Culinary Water and Sanitary Sewer Improvements.**⁸ Upon payment to the City by the Developer, the City agrees to provide all culinary water and sanitary sewer services to the Property without requiring the dedication of water rights from Developer upon payment of the fees associated with the approved development designs. City agrees to provide Developer "will serve" commitments with respect to the Property. Upon dedication of water and sewer improvements to the City by Developer, City shall reserve such developed capacity necessary for the use of the Project on the Property.

9.5 **Storm Water Improvements.** Developer shall construct, or cause to be constructed, storm water retention and detention facilities as may be necessary for the development of the Property as

⁷ NTD: to be discussed with City.

⁸ NTD: Project water needs to be discussed further.

contemplated by the vested rights described herein. Developer shall not be required to design and construct such retention and detention facilities to address storm water flows originating from outside the Property. This City may require the Developer to engage with adjacent property owners to address known adverse stormwater conditions. Stormwater facilities shall not apply towards qualifying Open Space required by the Zoning unless the quality of the Open Space is reasonably deemed usable by the City Community Development Director.

9.6 Electrical and Natural Gas, and Telecommunication Utilities. The City agrees to cooperate with Developer and public utility service providers in their efforts to ensure that sufficient electrical capacity and transmission infrastructure and natural gas capacity and transmission is present to serve the Property.

9.7 City Services. City shall make available (subject to application for service, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, storm water and other municipal services to the Property. Such services shall be provided to the Property at the same levels of services, on the same terms and at rates as approved by the City Council, which rates may not differ materially from those charged to others in the City's boundaries. City also agrees to cooperate in making available public rights of way and easements for use by utility and service providers to development within the Property.

9.8 Transportation. The Developer shall maintain transportation infrastructure to City standards and specifications in accordance with City's Vested Laws. If the Developer proposes a design that is not within the City standards or specifications, the Developer shall provide standards and specifications which are reasonable within industry standards. Deviations from City standards shall be reviewed by the City Engineer and may be approved to be incorporated into the approved Development Application. The City shall allow reasonable access to the City public right of way and public utility easements as applicable for the development of the approved development plans. The Developer shall provide the City applicable access and easements for public transportation within the Development. The City cannot dedicate access to non-city rights-of-way or easements; the Developer shall be responsible for coordination and approval for those requests.

9.9 Infrastructure Studies. The Developer shall conduct applicable studies to determine the development requirements for services and its impacts to the City and other public utility infrastructure. These studies shall include water, wastewater, stormwater, electrical, transportation impact studies, parking, and other studies as determined by the Community Development Director or City Engineer in accordance with the City's Vested Laws. The City may obtain, at its cost, its own studies regarding the development requirements for services and its impacts to the City and other public utility infrastructure. The parties shall use all such studies reasonably and lawfully make the final determination of required improvements to the existing infrastructure that may be impacted by the proposed development.

9.10 Acceptance of Public Infrastructure and Rights-of-Way. The City intends to accept public infrastructure and rights-of-ways that serve the interests of the public. Subject to the vested rights in this DA, the Developer shall provide to the City public infrastructure and rights-of-way which meet or exceed the City standards and specifications, or which have been conferred as requirements during the Development Application. The Developer shall not transfer dedication of public infrastructure or right-of-way without the direct consent from the City Engineer. If the development improvements are within non-city jurisdiction, then the City cannot guarantee or coordinate approvals and dedication of those improvements not within the City jurisdiction.

9.11 Non-City Coordination. The Developer shall coordinate with adjacent City agencies, to include City, State, County, local District, and Utility agencies for design reviews, access needs and

approvals as required for the Developer's proposed development design. The City shall not coordinate these reviews for the Developer. The City may provide mediation between Developer and non-city agency to resolve issues which may arise.

10. **Default.**

10.1 **Notice.** If Developer or the City fails to perform their respective obligations hereunder or to comply with the terms hereof, the Party believing that a Default has occurred shall provide Notice to the other Party.

10.2 **Contents of the Notice of Default.** The Notice of Default shall:

10.2.1 **Specific Claim.** Specify the claimed event of Default;

10.2.2 **Applicable Provisions.** Identify with particularity the provisions of any applicable law, rule, regulation or provision of this DA that is claimed to be in Default;

10.2.3 **Materiality.** Identify why the Default is claimed to be material; and

10.2.4 **Cure.** Propose a method and time for curing the Default which shall be of no less than thirty (30) days duration.

10.3 **Remedies.** If the Parties are not able to resolve the Default within the cure period, then the Parties may have the following remedies:

10.3.1 **Law and Equity.** All rights and remedies available at law and in equity, including, but not limited to, injunctive relief, or specific performance.

10.3.2 **Security.** The right to draw on any security posted or provided in connection with the Project and relating to remedying of the particular Default.

10.3.3 **Future Approvals.** The right to withhold all further reviews, approvals, licenses, building permits or other permits for development of the Project in the case of a default by Developer until the Default has been cured.

10.4 **Attorney Fees.** The Party prevailing in any action brought to enforce the terms of this Agreement shall be awarded its reasonable legal expenses, including its reasonable attorney fees.

10.5 **Public Meeting.** Before any remedy in Section 10.3 may be imposed by the City the party allegedly in Default shall be afforded the right to attend a public meeting before the City Council and address the City Council regarding the claimed Default.

10.6 **Extended Cure Period.** If any Default cannot be reasonably cured within thirty (30) days, then such cure period may be extended at the discretion of the Party asserting Default so long as the defaulting Party is pursuing a cure with reasonable diligence.

10.7 **Default of Assignee.** A default of any obligations assumed by an assignee shall not be deemed a default of Developer.

11. **Notices.** All notices required or permitted under this DA shall, in addition to any other means of transmission, be given in writing by either by certified mail, hand delivery, overnight courier service, or email to the following addresses:

To Developer:

Cottonwood Geneva LLC
299 S Main Street
SLC, Utah 84111
Attention: Scott Swallow
Email: sswallow@dakotapacific.com

With a Copy to:

Snell & Wilmer L.L.P.
15 West South Temple, Suite 1200
Salt Lake City, Utah 84101
Attention: Craig T. Jenson
Email: cjenson@swlaw.com

To Vineyard City:

Vineyard City
125 South Main Street
Vineyard, Utah 84059
Attention: City Manager
with copy to City Recorder
Email: refer to City website

With a Copy to:

Hayes Godfrey Bell, P.C.
2118 East 3900 South, Suite 300
Holladay, Utah 84124
Attention: Jayme Blakesley
Email: jblakesey@hgblaw.net

11.1 **Effectiveness of Notice.** Except as otherwise provided in this DA, each Notice shall be effective and shall be deemed delivered on the earlier of:

11.1.1 Hand Delivery. Its actual receipt, if delivered personally or by courier service.

11.1.2 Electronic Delivery. Its actual receipt if delivered electronically by email and the sending Party has an electronic receipt of the delivery of the Notice.

11.1.3 Mailing. On the day the Notice is postmarked for mailing, postage prepaid, by Certified United States Mail and actually deposited in or delivered to the United States Postal Service.

11.1.4 Change of Address. Any Party may change its address for Notice under this DA by giving written Notice to the other Party in accordance with the provisions of this Section.

12. **Headings.** The captions used in this DA are for convenience only and are not intended to be substantive provisions or evidences of intent.

13. **No Third-Party Rights/No Joint Venture.** This DA does not create a joint venture relationship, partnership or agency relationship between the City or Developer. Further, the Parties do not intend this DA to create any third-party beneficiary rights except as expressly provided herein. The Parties acknowledge that this DA refers to a private development and that the City has no interest in, responsibility for, or duty to any third parties concerning any improvements to the Property unless the City has accepted the dedication of such improvements at which time all rights and responsibilities—except for warranty bond requirements under City’s Vested Laws and as allowed by state law—for the dedicated public improvement shall be the City’s.

14. **Assignability.** The rights and responsibilities of Developer under this DA may be assigned in whole or in part, respectively, by Developer as provided herein.

14.1 **Related Entity; Subdevelopers.** Developer’s assignment of all or any part of Developer’s rights and responsibilities under this DA to any entity “related” to Developer (as defined by regulations of

the Internal Revenue Service in Section 165), Developer's entry into a joint venture for the development of the Project, Developer's pledging of part or all of the Project as security for financing, or Developer's assignment or partial assignment to a Subdeveloper, shall each be considered pre-approved by the City. Developer shall give the City Notice of any event specified in this sub-section within ten (10) days after the event has occurred. Such Notice shall include providing the City with all necessary contact information for the newly responsible party.

14.2 Non-Related Entity. Developer's assignment of all or any part of the Developer's rights and responsibilities under this DA to any entity not "related" to Developer (as defined by regulations of the Internal Revenue Service in Section 165), shall be subject to the City's approval, which shall not be unreasonably withheld, conditioned or delayed. Developer shall give Notice to the City of any proposed assignment and provide such information regarding the proposed assignee that the City may reasonably request in making the evaluation permitted under this Section. Such Notice shall include providing the City with all necessary contact information for the proposed assignee. Unless the City objects in writing within twenty (20) business days of Notice, the City shall be deemed to have approved of and consented to the assignment. The City may object if the City is not reasonably satisfied of the assignee's financial ability to perform the obligations of Developer proposed to be assigned or there is an existing breach of a development obligation owed to the City by the assignee or related entity that has not either been cured or is in the process of being cured in a manner acceptable to the City, or the proposed assignee or related entity has a documented history of failing to meet its obligations in prior agreements with the City or other governmental entities, or any similar reason.

14.3 Partial Assignment. If any proposed assignment is for less than all of Developer's rights and responsibilities, then the assignee shall be responsible for the performance of each of the obligations contained in this DA to which the assignee succeeds. Upon any such partial assignment, Developer shall be released from any future obligations as to those obligations that are assigned.

14.4 Assignees Bound by DA. Any assignee of all or any part of Developer's rights and responsibilities under this DA shall consent in writing to be bound by the assigned terms and conditions of this DA as a condition precedent to the effectiveness of the assignment.

14.5 Sale of Parcels. The Notice, approval, and consent provisions set forth in this Section 14 do not apply to Developer's sale or lease of Parcels. Developer may sell or pledge part or all of the Project as security for financing without requiring City's approval.

15. No Waiver. Failure of any Party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such Party to exercise at some future date any such right or any other right it may have.

16. Severability; Invalidity. If any immaterial provision of this DA is held by a court of competent jurisdiction to be invalid for any reason, the Parties consider and intend that this DA shall be deemed amended to the extent necessary to make it consistent with such decision and the balance of this DA shall remain in full force and affect. If any of the City's Current Laws are declared to be unlawful, unconstitutional or otherwise unenforceable then Developer will, nonetheless comply with the terms of this Agreement to the extent not precluded by law. In such an event, Developer and City shall cooperate to have City adopt a new enactment which is materially similar to any such stricken provisions and which implements the intent of the Parties under this Agreement.

17. Force Majeure. Any prevention, delay, or stoppage of the performance of any obligation under this DA that is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable

substitutes therefor; acts of nature, governmental restrictions, regulations or controls, judicial orders, enemy or hostile government actions, wars, civil commotions, fires or other casualties, pandemic, quarantine, or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay, or stoppage.

18. **Time is of the Essence.** Subject to the contrary provisions of this DA, time is of the essence to this DA and every right or responsibility shall be performed within the times specified.

19. **Appointment of Representatives.** To further the commitment of the Parties to cooperate in the implementation of this DA, the City and Developer each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Developer. The initial representative for the City shall be the City Community Development Director. The initial representative for Developer shall be Steve Borup. The Parties may change their designated representatives by Notice. The representatives shall be available at all reasonable times to discuss and review the performance of the Parties to this DA and the development of the Project.

20. **Applicable Law.** This DA is entered into in Utah County in the State of Utah and shall be construed in accordance with the laws of the State of Utah irrespective of Utah's choice of law rules.

21. **Venue.** Any action to enforce this DA shall be brought only in the Fourth District Court for the State of Utah in Utah County.

22. **Entire Agreement.** This DA, and all Exhibits thereto, is the entire agreement between the Parties and supersedes, incorporates and merges all prior negotiations, representations and agreements, whether oral or written regarding the subject matter hereof. This DA may not be amended or modified except either as provided herein or by a subsequent written amendment signed by all Parties. If there is a conflict between the Zoning and this DA, then this DA shall control.

23. **Mutual Drafting.** Each Party has participated in negotiating and drafting this DA and therefore no provision of this DA shall be construed for or against any Party based on which Party drafted any particular portion of this DA.

24. **Recordation and Running with the Land.** This DA shall be recorded in the chain of title for the Project. This DA shall be deemed to run with the land. The data disk of the City's Vested Laws shall not be recorded in the chain of title. A secure copy of such data disk shall be filed with the applicable City Recorder and each party shall also have an identical copy.

25. **Exclusion from Moratoria.** The Property shall be excluded from any moratorium adopted pursuant to *Utah Code Ann.* § 10-9a-504 unless such a moratorium is found on the record by the City Council to be necessary to avoid a physical harm to third parties and the harm, if allowed, would jeopardize a compelling, countervailing public interest as proven by the City with clear and convincing evidence.

26. **Authority.** The Parties to this DA each warrant that they have all of the necessary authority to execute this DA. City is entering into this DA after taking all necessary actions to enter into the agreements and understandings set forth herein. City's enactment of the resolution approving this DA, and entering into this DA, are legislative acts allowed and authorized by *Utah Code Ann.* § 10-9a-101, *et seq.*, including specifically *Utah Code Ann.* § 10-9a-102(2).

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties hereto have executed this DA by and through their respective, duly authorized representatives as of the day and year first herein above written.

DEVELOPER:

COTTONWOOD GENEVA LLC,
a Utah limited liability company

By: _____

Name: _____

Its: _____

DEVELOPER ACKNOWLEDGMENT

STATE OF UTAH)

:ss.

COUNTY OF _____)

On the _____ day of _____, ~~2022~~2023, personally appeared before me _____, who being by me duly sworn, did say that he/she is the _____ of Cottonwood Geneva LLC, a Utah limited liability company, and that the foregoing instrument was duly authorized by the company at a lawful meeting held by authority of its operating agreement and signed in behalf of said company.

NOTARY PUBLIC

Signature Page to Development Agreement

CITY:

Approved as to form and legality:

VINEYARD CITY,
a Utah political subdivision

Jayme Blakesley
City Attorney

By: _____
Name: Julie Fullmer
Its: Mayor

Attest:

Pamela Spencer
City Recorder

CITY ACKNOWLEDGMENT

STATE OF UTAH)
 :ss.
COUNTY OF UTAH)

On the _____ day of _____, ~~2022~~2023 personally appeared before me Julie Fullmer who being by me duly sworn, did say that she is the Mayor of Vineyard City, a political subdivision of the State of Utah, and that said instrument was signed in behalf of the City by authority of its City Council and said Julie Fullmer acknowledged to me that the City executed the same.

NOTARY PUBLIC

EXHIBIT A
[Legal Description of the Property]

LOTS 1, 2, 3, 4, 6, 7, AND 10, PLAT A, THE FORGE SUBDIVISION AS SHOWN BY THE OFFICIAL
PLAT THEREOF FILED IN THE OFFICE OF THE RECORDER OF UTAH COUNTY, UTAH

EXHIBIT B⁹
[Concept Plan]



*Building footprint is shown for conceptual purposes only. Building plans to be approved through site plan approval process.

⁹ NTD: Subject to updates.

EXHIBIT C¹⁰
[Ground Floor Commercial
Streets]



- Requires Ground Floor Commercial
- Commercial Floor Area
- Commercial Floor Area Parking
-
- Residential Floor Area
- Residential Floor Area Parking

¹⁰ NTD: Subject to updates.



Requires Ground Floor Commercial

EXHIBIT D¹¹
[Modifications to Zoning]

1. **4.04 Uses:** Commercial electric vehicle (EV) charging station is ~~an allowed~~ a conditional use on Block H.
2. **4.08.3 Residential Intensity.** This section is replaced by the terms of the DA, including the provisions related to Maximum Units, Ground Floor Area, and Ground Floor Commercial Streets.
3. **4.08.4 Non-Residential Intensity:** This section is replaced by the terms of the DA, including the provisions related to Ground Floor Area and Ground Floor Commercial Streets.
4. **4.08.6 Setbacks:** Setbacks along Mill Road, Vineyard Connector, and Geneva Road may be approved for common area open space as shown in the Concept Plan, Exhibit B. Block H shall be allowed minimum rear and side setbacks of 10 feet.
5. **4.08.8 Mixed Use Requirements:** City acknowledges and agrees that the Concept Plan, Exhibit B, complies with the mixed use requirements.
6. **4.08.9.b Open Space:** This section is replaced with provisions related to open space and common area elements set forth in Section 2 of Exhibit E.
7. **4.08.10.a Parking:** Add Commercial Lodging to the table: Commercial Lodging, 1 space per guest room. Change residential parking requirement to 1 stall per bedroom for up to two-bedroom dwelling units and 2.25 parking stalls per dwelling unit with 3 or more bedrooms. Shared parking credits as defined in the zoning code applies. Parking requirements may be modified pursuant to the provisions of Section 2.13.2 of the Development Agreement.
8. **4.08.10.b:** Replace the current text which states

“All parking stalls associated with a land use, whether shared or individually reserved, shall be located on the same block as the use for which they are intended”

with

“Shared parking on adjacent blocks may be utilized for commercial parking requirements, provided the route of travel from the nearest parking space to the commonly used entrance of the principal use served is within 750 linear feet.
9. **4.10.4 Block Structure:** City acknowledges and agrees that the Block Structure and intent of the building frontage in the Concept Plan shown in Exhibit B is approved.

10. **4.10.7.b:** Add additional paragraph.

iii. Vineyard Connector and Geneva Road are ‘Major Roads’. Buildings with more than one hundred fifty (150) feet of building facade facing major roads, shall include:

- Residential Buildings: at least one of the following: 1) a front door entrance that faces the Major Road for no less than 40% of the ground floor units facing Major Roads. Front entries shall include architectural interest and include a walkway to connect the front entry with the street’s sidewalk; 2) 60% transparency as defined in paragraph 4.10.6.a of the Forge-Mixed Use Zoning Code for amenity space or other non-residential uses; or 3) facade finishes (visual interest, awnings, unique patterns, etc.) or landscaping that exceed minimum zoning requirements.
- Commercial Buildings: one or more of the following: 1) increase the transparency at either the ground floor or upper floor by more than 10% vs. the requirement defined in paragraph 4.10.6.a

¹¹ NTD: Subject to updates.

of the Forge-Mixed Use Zoning Code; 2) provide facade finishes (visual interest, awnings, unique patterns, etc.) or landscaping that exceed minimum zoning requirements or 3) Create an entry that faces the Major Road.

~~10.11.~~ **4.10.4.d.ii Building Height and Stepbacks:** Modify as follows (additions in underline):

Buildings can range from a minimum of twenty feet (20') to a maximum of one hundred-twenty five feet (125') for flat roofs or one hundred forty feet (140') for pitched roofs. Staff may administratively approve a minimum fifteen-foot (15') building height for retail stand-alone buildings less than 10,000 square feet. Any stories above the fourth story should stepback a minimum of ten feet (10') from the right of way line (Figure: Building Stepback) for no less than 50% of lineal feet of those building facades that face a Commercial Street or Stroll Street.

~~11. 4.10.10.iii:~~ ~~Staff may approve the removal of parallel parking along Frontage Street sections.~~

Blocks A & E, as defined in the Forge MU Zoning, shall be limited to five (5) stories or seventy-five (75) feet in height.

12. **4.10.12.c:** Block H may utilize surface parking, subject to screening requirements in 4.10.11.f.

EXHIBIT E⁴²
[Development Standards and
Design Guidelines for Common
Open Spaces]

1) Purpose

The Forge Mixed Use (“MU”) District is intended to encourage a mixture of commercial, office and residential uses within an urban village atmosphere. Development in the Forge MU District is intended to provide a pedestrian oriented, safe and attractive streetscape, and a controlled and compatible setting for residential and commercial development. The standards are intended to achieve established objectives for urban and traditional design, pedestrian amenities and land use regulation.

2) Common Open spaces

Open space is an essential amenity in a walkable, urban setting. Within The Forge, the primary common open spaces, as shown in Figure 1, are the Central Plaza, Central Shared Streets, the East and West Gateway Parks, the Retail Plaza, the Geneva Trail Park, and the Internal Alley. Except for the Geneva Trail Park, these open areas will be privately owned and accessible to the public via a recorded public access easement. The Geneva Trail Park land will be dedicated to the City, per paragraph 9.1.1 of this Agreement. The privately owned open space shall be maintained by the Property Owner’s Association for the Project.



Figure 1 – Master Planned Open Space Areas

The developer shall provide the common open space areas, fully improved, in the acreage shown in Table 1, with a variance of no more than +/- 10% for each area and no less than a total combined common area open space of 5.9 acres. Notwithstanding the prior sentence the Geneva Trail Park improvements are subject to paragraph 9.1.1 of this Agreement. Although the final platted locations may vary from the Concept Plan, the primary pedestrian connection points from the future Geneva Trail to the west side of the Project and from the commercial development on the south to the Central Plaza

⁴² ~~NTD: To be provided.~~

shall be maintained. The design intent and features for each designated area that are described in this Exhibit shall also be provided.

3) General Requirements

a) Landscaping

i) **Installation.** The installation of landscaping shall adhere to the following standards.

(1) **National Standards.** Best management practices and procedures according to the nationally accepted standards shall be practiced.

(a) Installation. All landscaping and trees shall be installed in conformance with the practices and procedures established by the most recent edition of the American Standard for Nursery Stock (ANSI Z60.1) as published by the American Association of Nurserymen.

(b) Maintenance and Protection. All landscaping and trees shall be maintained according to the most recent edition of the American National Standards Institute, including its provisions on pruning, fertilizing, support systems, lighting protection, and safety.

(2) **Installation.** Landscaping shall be fully installed prior to the issuance of a certificate of completeness.

(a) If seasonal conditions preclude the complete installation, a cash escrow or irrevocable letter of credit, equal to 1.5 times the installation costs as estimated by a qualified professional shall be delivered to the City.

(b) Complete installation is required within nine months of the issuance of the temporary certificate of occupancy or occupancy permit or the cash escrow or letter of credit may be forfeited.

(3) **Plant Size Requirements.** Plant material shall be sized according to Table 2 at the time of installation, unless otherwise noted in this section.

ii) **Condition of Landscape Materials.** The landscaping materials used shall be:

- (1) Healthy and hardy with a good root system.
- (2) Chosen for form, texture, color, fruit, pattern of growth, and suitability to local conditions.
- (3) Tolerant of the natural and man-made environment, including tolerant of drought, wind, salt, and pollution.
- (4) Appropriate for the conditions of the site, including slope, water table, and soil type.
- (5) Protected from damage by grates, pavers, or other measures.
- (6) Plants that will not cause a nuisance or have negative impacts on an adjacent property.
- (7) Species native or naturalized to the Wasatch Front whenever possible.
- (8) Compost, mulch, and organic matter may be utilized within the soil mix to reduce the need for fertilizers and increase water retention.

Area Designation	Size
East Gateway Park	1.2 Acres
West Gateway Park	0.6 Acres
Central Shared Street	1.2 Acres
Central Plaza	1.1 Acres
Retail Plaza	0.3 Acres
Internal Alley	0.75 Acres
Amenity Open Space	0.75 Acres
Total Private Open Space	5.9 Acres
Geneva Trail Park	1.0 Acres
Total Open Space	6.9 Acres

Plant Material Type	Minimum Size
Deciduous Shade/Overstory Tree	
Single Trunk	1" caliper
Single Trunk (street trees)	2" caliper
Multi Trunk	10' in height
Other	
Evergreen Tree	7' in height
Understory Tree	6' in height
Ornamental Tree	1.5" caliper
Shrubbery - Deciduous	container class 3
Shrubbery - Evergreen	container class 3
Ground cover	2" in height

(9) All installed plant material shall be fully maintained until established, including watering, fertilization, and replacement as necessary.

iii) **Ground Plane Vegetation.** All unpaved areas shall be covered by one of the following.

(1) **Planting Beds.**

(a) Planting beds may include shrubs, ornamental grasses, ground cover, vines, annuals, or perennials. Edible landscape is permitted.

(b) Nonliving materials, such as pine straw, colored gravel, or mulch, are permitted for up to 60% of a bed area.

(c) Annual beds must be maintained seasonally, replanting as necessary.

(d) Planting beds in public areas must be privately maintained.

(2) **Grass.** Seeded or sodded grass may be planted throughout landscaped areas.

(a) Grass shall be established within 90 days of planting or the area must be reseeded or resodded.

(3) **Shrubs requirements.** 1.5 shrubs are required per 1,000 square feet of landscaped area. Two perennials or ornamental grasses count towards one shrub.

iv) **Tree Installations.** Refer to the list of permitted street tree types maintained by the City.

(1) **Tree Measurement.** Tree size shall be measured by ISA arborists standards.

(2) **Tree Maintenance.** Tree trimming, fertilization, and other similar work shall be performed by or under the management of an ISA certified arborist.

(3) **Species Composition.** A variety of tree species shall be used to avoid a mono-culture prone to disease. No species may exceed 10% of overall City urban forest. See Vineyard Tree and Landscape manual for list of Vineyard City approved trees.

(4) **Tree Size.** All trees to be installed to meet the requirements of this section shall be a minimum of 2" caliper at the time of installation.

(5) **Tree Requirements.** See specifics for each open space designated area.

(6) **Permeable Surface.** For each tree preserved or planted, a minimum amount of permeable surface area is recommended, unless otherwise stated in this ordinance. Permeable area for one tree cannot count toward that of another tree.

(7) **Structural Soil.** When the soil surface area of a tree will extend below any pavement, structural soil or root-penetrable sidewalk support is required underneath that pavement. Structural soil is a medium that can be compacted to pavement design and installation requirements while still permitting root growth. It is a mixture of gap-graded gravels (made of crushed stone), clay loam, and a hydrogel stabilizing agent to keep the mixture from separating. It provides an integrated, root penetrable, high strength pavement system that shifts design away from individual tree pits (source: Cornell University, Urban Horticulture Institute).

(8) **Minimum clear branch height** is 8' over sidewalk and 14' over roads.

v) **Irrigation Systems.** Permanent irrigation, beyond establishment, is required and shall adhere to the following standards.

(1) All irrigation systems shall be designed to minimize the use of water.

(2) Non-residential landscape irrigation shall have an automatic clock-activated permanent system.

(3) The irrigation system shall provide sufficient coverage to all landscape areas.

(4) The irrigation system shall not spray or irrigate impervious surfaces, including sidewalks, driveways, streets, and parking and loading areas.

- (5) All culinary-fed systems shall be equipped with a back-flow prevention device.
- (6) All mechanical systems including controllers and back-flow prevention devices shall be properly screened from public view.

b) Lighting

- i) Site lighting shall provide safe and enjoyable experiences for pedestrian or community activity at night.
- ii) Site lighting shall be at a pedestrian scale and should help define the functional areas of a property.
- iii) Site lighting shall be scaled appropriately for the commercial or residential property on which it is located.
- iv) Site lighting to be dark sky compliant.

c) Bicycle Parking

- i) The following bicycle parking shall be provided throughout the development:

<u>Use</u>	<u>Bicycle Rack Spaces</u>
<u>Multi-Family</u>	<u>Minimum 2 spaces or .05 spaces / bedroom, whichever is greater</u>
<u>Civic/Institutional</u>	<u>Minimum 2 spaces, 1 / additional 10,000 sf</u>
<u>Retail</u>	<u>Minimum 2 spaces, 1 / additional 5,000 sf</u>
<u>Services</u>	<u>Minimum 2 spaces, 1 / additional 5,000 sf</u>
<u>Office</u>	<u>Minimum 2 spaces, 1 / additional 10,000 sf</u>

Table 4 – Bicycle Parking Requirements

d) Signage

- i) Prior to the first construction of open space, developer shall submit to the city a master signage plan for approval. The plan shall provide for consistent thematic environmental and wayfinding signage design as well as provide guidelines for building and monument signage for the Project.

4) Specific Common Area Definition

a) Central Plaza

- i) Intent. The Central Plaza will be the center point of outdoor activity for the Project. It will provide a variety of functional spaces that accommodate gatherings and relaxation. It will integrate with the surrounding commercial and residential uses.
- ii) Key design features:
 - (1) Provide at least 1 point of interest such as public art, a sculpture, or a water feature.
 - (2) Space allocation and accommodations for events such as music festivals, art festivals, corporate events, and community gatherings.
 - (3) Provide a variety outdoor seating options which integrate with the Landscaping.
- iii) Landscaping:
 - (1) Create a variety of both hardscapes and softscapes.
 - (2) Install a minimum of 1 tree per 2,500 square feet on average, inclusive of street trees.

- (3) Paving. Paving shall create interest and avoid large sections of monolithic patterns and color. It shall include color other than grey and may include a mix of various types of surfaces such as colored concrete with patterned cut lines, mixed pavers, stone, or another decorative hardscape approved by the City.

b) Central Shared Commercial Street

i) Intent:

- (1) Shared street will be used by multiple modes of transportation including pedestrians, bicycles, and vehicles.
- (2) Establish a living street where a mix of functional and recreational uses can work together to create interest and vibrancy.
- (3) Encourage slow vehicle traffic (4-5 mph) through purposeful design and calming measures. Shared streets may be designated as one-way streets.
- (4) Minimal parking and loading areas.

ii) Key design features:

- (1) Furniture, paving materials and markings, trees, bollards, bicycle parking, patios, and planters shall be placed in such a way as to emphasize pedestrian and micro-mobility flow, reduce vehicular speeds, and subtly delineate various uses on the street.
- (2) Provide street signage at entrances indicating shared street and a low-speed designations.
- (3) Provide provisions to close off street to vehicles through moveable planters, bollards, or other appropriate means.
- (4) Minimum width of 25'.

iii) Paving:

- (1) Paving shall create interest and avoid large sections of monolithic patterns and color. It shall include color other than grey and may include a mix of various types of surfaces such as colored concrete with patterned cut lines, mixed pavers, stone, or another decorative hardscape approved by the City.
- (2) Street paving shall be flush with the curb and reinforce pedestrian priority.

iv) Landscaping

- (1) Street furniture to be integrated into the design.
- (2) Tree spacing to be a maximum of 120' on center and can be on either side of the shared street.

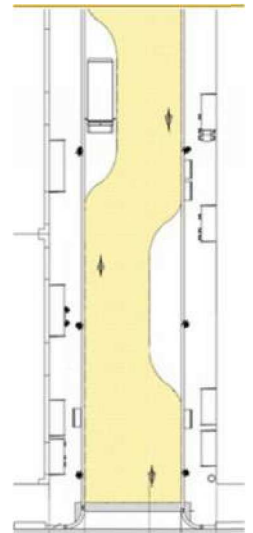


Figure 2 - Shared Street precedent image designed to slow traffic.

c) Retail Plaza

- i) Intent – The Retail Plaza creates interest and an activity center near the entrance to The Forge from Mill Road. It will encourage outdoor gatherings and focus on complimenting the nearby dining and retail uses.

ii) Key design features:

- (1) Create seating and gathering spaces that accommodate groups from 2 to 15 people.
- (2) Outdoor lighting that creates interest and ambiance at evenings.
- (3) A variety of seating and grouping options

iii) Paving. Paving shall create interest and avoid large sections of monolithic patterns and color. It shall include color other than grey and may include a mix of various types of surfaces such as colored concrete with patterned cut lines, mixed pavers, stone, crushed stone, or another decorative hardscape approved by the City.

iv) Landscaping:

(1) Install a minimum of 1 tree per 2,500 square feet on average.

d) East Gateway Linear Park

i) Intent:

(1) Provide a welcoming public edge and view corridor from Geneva Road into the Shared Street, allowing views into the center of the development.

(2) Create rest and play areas along the future Geneva Trail.

(3) Integrate with the future Geneva Trail system, providing an inviting and appropriate transition from the trail into the development's primary east / west pedestrian and micro mobility pathway.

(4) Add to the network of open and green spaces within the Project providing a meaningful connection point to pedestrian network outside the Project.

ii) Key design features:

(1) Provide a minimum width of 50' for the linear park per paragraph 9.1.2 of this Agreement.

(2) Play area to use natural or themed artistic forms rather than traditional playground equipment.

(3) Provide various types of seating such as concrete seat walls, natural elements (boulders), and benches.

(4) Continuation of the future Geneva Trail through the linear park as well as connection to Shared Street.

iii) Landscaping:

(1) Provide a variety of ground covers such as turf, native landscaping, mulch, and pavers.

(2) Provide dense grouping of trees and provide an average of 1 tree per 2,500 sqft of landscaped area, inclusive of any required street trees (if required).

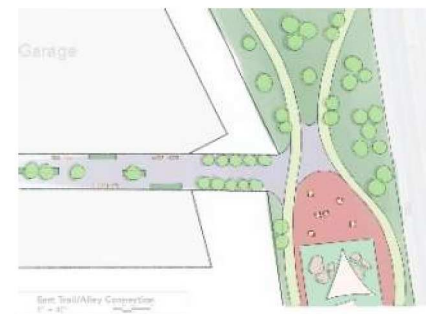


Figure 4 - Concept for the East Gateway Park

e) West Gateway Linear Park

i) Intent. Provide a greenspace corridor along Mill Road which creates a purposeful open space along network of pedestrian pathways running through and adjacent to the Project.

ii) Key design features:

(1) Provide a minimum width of 50' for the linear park from the facade of the adjacent building(s) towards Mill Road.

(2) Provide at least 1 primary point of interest such as public art, a sculpture, paved plaza with shade trees, or seating with above standard landscaping that fosters community interaction.

- (3) Concrete sidewalk or trail that connects the east / west pedestrian corridor to the corner of Mill Road and Vineyard Connector.

iii) Landscaping:

- (1) Mix of native and low maintenance ground cover and turf.
- (2) Provide 1 tree per 2,500 sqft of landscaped area, inclusive of any required street trees.

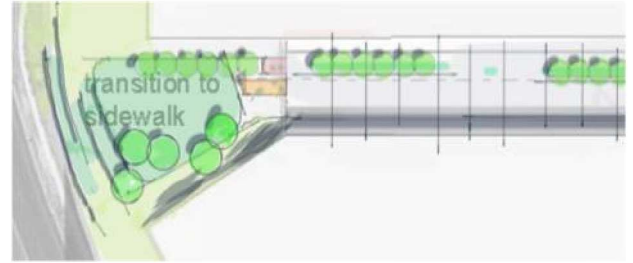


Figure 5 – Concept Sketch image

f) Internal Alley

- i) Intent. Key pedestrian connection corridor between the commercial businesses to the south and the Central Plaza.
- ii) Key design features:
 - (1) Decorative lighting creating safety and ambiance.
 - (2) Intentional alcoves and recesses where street vendors or other public display areas can be safely placed. Alcoves shapes and depths shall promote safety.
 - (3) Activated by ground floor commercial at entrances and throughout the alley.
 - (4) Paving. Paving shall create interest and not be monolithic grey. It shall include color and may include a mix of various types of surfaces such as colored concrete with patterned cut lines, mixed pavers, stone, or another decorative hardscape approved by the City.
 - (5) Min width of 20'
- iii) Landscaping: Planters and trees at entrances or other key locations that help soften the built environment.

g) Geneva Trail Park

- i) Intent. Create a stopping place along the future Geneva Trail and provide park access to residential areas to the South.
- ii) Key design features:
 - (1) To be designed in cooperation with the city per paragraph 9.1.1

Stewardship. Integrity. Commitment.



The Forge – Planning Commission

02/01/23

MASTER PLAN

PLAN VIEW



* Building footprint is shown for conceptual purposes only. Building plans to be approved through site plan process, subject to the development agreement.

SUMMARY OF CITY COMMENTS

The Forge Master Plan Development Agreement Tracking

02/01/23

City Request	Accepted	Modified	Not Accepted	Notes	DA Updated
Early Discussions					
1. Provide Affordable Housing	X			25 – 48 units by developer depending on parameters discussed in the DA (AMI level, parking type). Left the DA # of units blank until final parameters are agreed up. No less than 25 is agreed to.	2.14
2. Reduce Max Residential Units				proposing 1,500	
3. Provide traffic study	X			Study showed incremental benefit vs current entitlement.	NA
4. Remove frontage road and reduce linear parks	X				EX B
5. Provide TIF valuation	X				NA
6. Attract a Grocery Store as part of the development		X		Working to attract one. Primary target will only come with traditional format. Going to secondary targets.	NA
7. Required streets for ground floor commercial	X				EX C
Post Development Agreement Draft					
8. Provide comments with initial phase	X			Proposed 30 60 per dwelling unit in the initial phase	2.6
9. Clarify what can be modified in the master plan without going back to City Council	X			See exhibit E of DA	EX E – Page 2
10. Change to reference City's future laws instead of City Vested Laws as it relates to signs. This is because sign ordinance is being updated concurrent w/ DA. City wishes to apply sign ordinance in place at time of building permit application.	X				2.9
11. Remove the allowance for short term rentals in the development agreement and align with city ordinance	X				2.10
12. Provide a location for a park in Block H	X			1 acre to be donated	9.1.1
13. Developer to install baseline park improvements in donated land		X		Will deliver improvements conditioned on RDA agreement to reimburse	9.1.1
14. Establish a MID	X			That ability to create one is in the development agreement. We will also evaluate using Property Management Association to assess maintenance dues	4.4
15. Remove sentence regarding impact fees. Impact fees will be assessed at the time of building permit fees.	X				9.3 / 3.2.6
16. Understand water needs to inform our water master plan	X			Acres Feet demand has been provided to Maxcom	NA
17. Clarify that recreation facilities cannot be counted as open space, unless underground or proven usable	X				9.5
18. Provide phasing of open space	X			Any open space adjacent to any developed parcel shall be developed no later than the adjacent structure / site	2.3
19. Provide a location for a public safety facility	X			Will negotiate in good faith. Need anticipated close timing from City.	9.1.3

20. Update the concept plans to be consistent	X			Updated	Done
21. Work in good faith with the City and UTA to increase transit options and access to the <u>Economy</u>	X			Request to UTA has been made. UTA indicates they are willing to work with us based on the scale of this development.	9.1.4
22. Require a parking management plan to be approved with the first site plan		X		To be discussed and address some open items. Clarification, future projects only, sensitivity of multiple landowners.	2.13
23. Proposal to provide for sale units			X	We cannot commit to this at this time.	NA
24. Greater detail of shared street (heavy emphasis on walkability)	X			See exhibit E description and illustration.	EX E – Ap
25. Open space credit should be only counted towards property owned by developer	X			Clarified that credit only counted to land owned or controlled by developer. Important: there is some allowance in the event we acquire more adjacent land.	2.8
26. Uncertain about approving an EV charging station in Block H as a use	X			Proposed it is a conditional use.	EX D.1
Other Comments from Public Meetings					
27. Provide variety in architecture along Vineyard Connector				Asking for clarification on what the current zoning does not provide. It requires fenestration, articulation, varied materials. We can agree to provide some variation between structures in materials and some roof articulation.	2.8g update
28. Prominent office building at Geneva Road and Vineyard Connector (Block G)				The current zoning already places emphasis on putting commercial at key intersections. See 4.10.7.d and 4.10.7.e.	2.8g update
29. Modify parking ratio of parking from 3.5 spaces per unit to 1 per bedroom	X			Requested 2.25 spaces per <u>Bedroom</u> vs 3 parking stalls for 3 bedrooms.	EX D .7
30. Entrances provided along major roads (conserved about rear elevation views)		X		included language that ensures interest and not a <u>glass facade of the buildings</u>	EX D .10
31. Limit building height on blocks A & E along Mill Road to 4 stories	X			Proposing modified language after meeting with Staff	EX D .10
32. Reduce residential units and limit to not more than 50% of total square footage		X		This would impact project viability	NA
33. Developer to maintain the landscaping within the park strip portion of the right-of-way on the North Side of 650 N.	X			We accept this, however, consider this already addressed by Vineyard Code 15.40.060.	9.1.5
34. Provide a private an indoor recreation space (sports court/ basketball/ racquetball) as amenity for residents.			X	We have discussed this as a possible amenity and agree it would be attractive to tenants. However, we cannot guarantee this in the development agreement.	NA

Blue highlighted rows will be discussed in more depth on following slides

*Any changes from the latest submitted DA are indicated with an asterisk on following slides.

1 AFFORDABLE HOUSING

Developer Funded

- *Up to 25 developer contributed units for first 1,300 residential units, phasing no less than 1 affordable per 52 market units.
- *4 additional affordable housing units when residential units 1,301 to 1,500 are added, phased at 1 affordable unit per 50 market rate units.
- Deed restricted for 25-30 years (depending on TIF duration). 1st right to first responders / teachers.

*RDA Funded (pending confirmation with RDA)

- Developer will cooperate with the RDA to provide additional affordable units funded from the Tax Increment.
- # of units will be determined annually with the RDA based on available funds from the increment for this Project. # of units will not exceed the # of developer funded units without Developer approval.
- Duration equal to Deed Restricted or as otherwise agreed by developer

Option #1

- City and Developer may identify a single location for surface parked affordable units. Developer will contribute value of savings towards additional units.

Option #2

- City may request 70% AMI vs 60%. Developer will contribute the economic benefit to developer as additional affordable units.

1 AFFORDABLE HOUSING

Menu of Options

*For illustration purposes

60% AMI, # of units	With Structured Parking	W/O Structured Parking	Mixed Parking (30 Units Surface parked, remaining structured parking)
@60% AMI funded by Developer	25	45	36
RDA Funded (10% of TIF) @ 1300 Units	25 - 30	25 - 30	25 - 30
Total at 1,300 Allowed Dwelling Units	50 - 55	70 - 75	61 - 66
Increase for 1,500 Dwelling Units allowed	3	3	3

70% AMI, # of units	With Structured Parking	W/O Structured Parking	Mixed Parking (30 Units Surface parked, remaining structured parking)
@70% AMI funded by Developer	35	75	48
RDA Funded (10% of TIF) @ 1300 Units	35 - 40	35 - 40	35 - 40
Total at 1,300 Allowed Dwelling Units	70 - 75	110 - 115	83 - 88
Increase for 1,500 Dwelling Units allowed	4	4	4

#9 MASTER PLAN ANCHORS

Exhibit E, paragraph 2.

The developer shall provide the private common open space areas, fully improved, in the acreage shown in Table 1, with a **variance of no more than +/- 10% for each area** and no less than a total combined common area open space of 5.9 acres...Although the **final platted locations may vary** from the Concept Plan, **the primary pedestrian connection points** from the future Geneva Trail to the west side of the Project and from the commercial development on the south to the Central Plaza **shall be maintained**. The **design intent and features** for each designated area that are described in this Exhibit shall also be provided.

Area Designation	Size
East Gateway Park	1.2 Acres
West Gateway Park	0.6 Acres
Central Shared Street	1.2 Acres
Central Plaza	1.1 Acres
Retail Plaza	0.3 Acres
Internal Alley	0.75 Acres
Amenity Open Space	0.75 Acres
Total Private Open Space	5.9 Acres
Geneva Trail Park	1.0 Acres
Total Open Space	6.9 Acres

#18 PHASING OF OPEN SPACE

Part of paragraph 2.3

Open Space...shall be improved no later than the Development of immediately adjacent building(s), structure(s), Parcel(s);

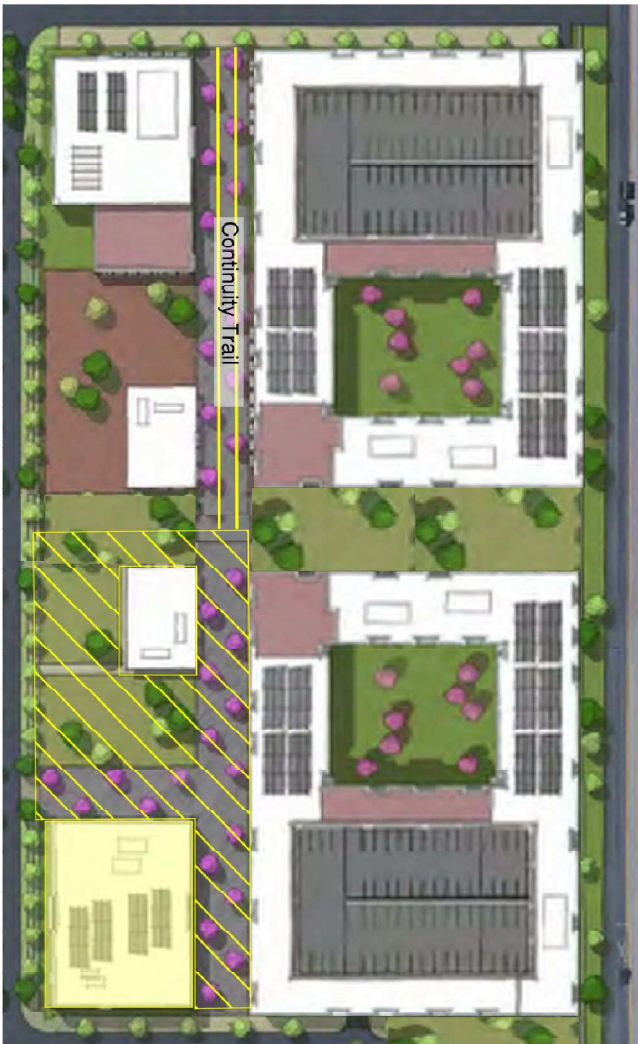
- Developer may bond improvement if evidence is provided that other near-term construction will affect the Open Space to be installed.
- Developer shall provide temporary means for pedestrians to have continuity within a fully developed block.
- *Central Plaza divided in ½ increments for adjacency definition purposes

Example



#18 PHASING OF OPEN SPACE

Examples



#22 PARKING MANAGEMENT – PARKING STUDIES

We have these outstanding items to work through:

- Clarify Developer is not responsible for parking infiltration from outside the Project
- Clarify that changes to parking requirements are for future projects only
- Address the sensitivity of having multiple landowners involved



#23 FOR-SALE UNITS

We are not opposed to for-sale units. However, we cannot commit to them in the Development Agreement due to:

- The risk associated with changing market dynamics.
- Building scale, driven by underlying zoning requirements
- Parking structures will incrementally increase the for-sale price vs other condo/townhome options in the area

#24 SHARED STREET – PEDESTRIAN PRIORITY

Exhibit E.4.B

b) Central Shared Commercial Street

i) Intent:

- (1) Shared street will be used by multiple modes of transportation including pedestrians, bicycles, and vehicles.
- (2) Establish a living street where a mix of functional and recreational uses can work together to create interest and vibrancy.
- (3) Encourage slow vehicle traffic (4-5 mph) through purposeful design and calming measures. Shared streets may be designated as one-way streets.
- (4) Minimal parking and loading areas.

ii) Key design features:

- (1) Furniture, paving materials and markings, trees, bollards, bicycle parking, patios, and planters shall be placed in such a way as to emphasize pedestrian and micro-mobility flow, reduce vehicular speeds, and subtly delineate various uses on the street.

- (2) Provide street signage at entrances indicating shared street and a low-speed designations.
- (3) Provide provisions to close off street to vehicles through moveable planters, bollards, or other appropriate means.

- (4) Minimum width of 25'.

iii) Paving:

- (1) Paving shall create interest and avoid large sections of monolithic patterns and color. It shall include color other than grey and may include a mix of various types of surfaces such as colored concrete with patterned cut lines, mixed pavers, stone, or another decorative hardscape approved by the City.

- (2) Street paving shall be flush with the curb and reinforce pedestrian priority.

iv) Landscaping

- (1) Street furniture to be integrated into the design.

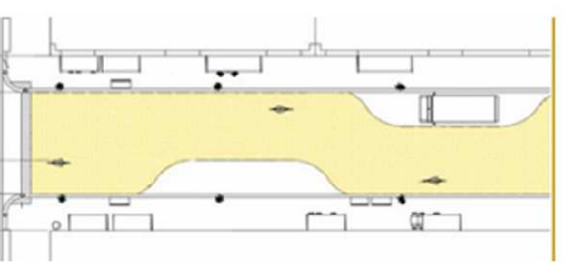


Figure 2 - Shared

#30 ENTRANCES ALONG MAJOR ROADS

* Modified language to address Staff's comments

10. **4.10.7.b:** Add additional paragraph.

- iii. Vineyard Connector and Geneva Road are 'Major Roads'. Buildings with more than one hundred fifty (150) feet of building facade facing major roads, shall include:

Residential Buildings: a front door entrance that faces the Major Road for no less than 40% of the ground floor units facing Major Roads. Front entries shall include architectural interest and include a walkway to connect the front entry with the street's sidewalk

- *Commercial Buildings:* a primary or secondary entry that faces, or is within 30' of a facade that faces, a Major Road.



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VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: February 22, 2023

Agenda Item: 9.2 Consolidated Fee Schedule

Department: Finance

Presenter: David Mortensen, Finance Director

Background/Discussion:

Utah Code section 10-3-17 authorizes cities to create, amend, and set a fee schedule appropriate for the services rendered by the municipality by way of a resolution. The provided attachment shows recommended changes to Vineyard's current fee schedule to assure our fees are up to date. The specific amendment being considered at this meeting is to adjust the water and sewer base rates and consumption rates. Also being proposed is the addition of a water multi-family residential unit base rate and a sewer multi-family residential unit base rate. The changes would be effective July 1, 2023.

Fiscal Impact:

The proposed changes will increase revenues to the water and sewer funds to help establish a healthy fund balance, a healthy level of cash on hand, aid in funding maintenance and operations of the systems, and pay debt service on proposed water and sewer revenue bonds that will be used to fund essential large capital projects happening within the systems.

Recommendation:

The Finance Department recommends accepting all changes as they are presented in the attachment.

Sample Motion:

I move to adopt, by Resolution 2023-10, the amended Consolidated Fee Schedule as presented.

Attachments:

Resolution 2023-10

Consolidated Fee Schedule – Amended

RESOLUTION NO. 2023-10

A RESOLUTION AMENDING THE CONSOLIDATED FEE SCHEDULE

WHEREAS, Section 10-3-717 UCA authorizes cities to establish the amounts of fees to be charged for municipal services to be set by resolution, and

WHEREAS, The City Ordinances, in various locations, provides for the establishment of fee amounts for certain municipal services, by resolution of the City Council.

WHEREAS, a Public Hearing was duly noticed and held on the 22nd day of February 2023 on the proposed amendments.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF VINEYARD, UTAH AS FOLLOWS:

- Section 1. The City Council hereby adopts the amended Consolidated Fee Schedule, which is attached hereto and incorporated herein by reference.
- Section 2. A copy of the Consolidated Fee Schedule shall be placed in the Vineyard City Offices and be available for review.
- Section 3. This resolution shall take effect upon passage.
- Section 4. All other resolutions, ordinances, and policies in conflict herewith, either in whole or in part, are hereby repealed.

PASSED and ADOPTED by the City Council of Vineyard, Utah this 22nd day of February 2023.

APPROVED:

Julie Fullmer, Mayor

ATTEST:

Pamela Spencer, City Recorder



RECREATION FEES

3v3 Adult Soccer	Team - \$250 Individual - \$50
3v3 Adult Soccer Tournament	Team - \$80 Individual - \$20
3v3 Basketball Tournament	Team - \$80 Individual - \$20
Adult Flag Football	Team - \$500 Individual - \$50
Adult Kickball Tournament	Team - \$150 Individual - \$20
Adult Pickleball	\$50
Adult Soccer	Team - \$500 Individual - \$50
Adult Soccer Tournament	Team - \$160 Individual - \$20
Adult Tennis Clinic	\$50
Adult Tennis Tournament	\$50
Adult Volleyball	Team - \$350 Individual - \$50
Adult Ultimate Frisbee	Team - \$350 Individual - \$50
Cornhole Tournament	Team - \$30 Individual - \$15
CUTA Tennis	\$100
E-Sports	\$50
Exercise Class	\$50
Pickleball Tournament	Team - \$30 Individual - \$15
Race Registration	5k/10k - \$20 Kids 1k - \$10 Family Rate \$45 per household



	Group Rate - \$15 per person
Race T-Shirts	\$10
Senior Program	\$50
Spikeball Tournament	Team - \$30 Individual - \$15
Sports Trivia/Fantasy Class	\$50
Toddler Sports Clinic	\$60
Virtual Races	\$25
Youth Arts	\$50
Youth Baseball Clinic	\$50
Youth Basketball Clinic	\$50
Youth Coach Pitch	\$50
Youth Flag Football	\$50
Youth Jr Jazz Basketball	\$100
Youth Kickball	\$50
Youth Machine Pitch	\$70
Youth Pickleball Programs	\$50
Youth Soccer Programs	\$70
Youth T-Ball	\$50
Youth Tennis Clinic	\$50
Youth Ultimate Frisbee	\$50
Youth Volleyball	\$80
Youth Wrestling	\$50
Youth Cross Country	\$70
Youth Golf	\$70
Bingo	\$10
Additional Non-Resident Fee	Team - \$50 Individual - \$10
Late Registration	\$50 – Team \$10 - Individual
Recreation Program Cancellation Fee	Up to 100% of Registration Cost (No Refund of Race Registrations)



UTILITY FEES

Water Base Rate ¾" Meter	\$27.09 <u>29.80</u> first 5,000 gallons
Water Base Rate 1" Meter	\$37.93 <u>41.72</u> first 5,000 gallons
Water Base Rate 1 ½" Meter	\$48.76 <u>53.64</u> first 5,000 gallons
Water Base Rate 2" Meter	\$78.56 <u>86.42</u> first 5,000 gallons
Water Base Rate 3" Meter	\$297.99 <u>327.79</u> first 5,000 gallons
Water Base Rate 4" Meter	\$386.48 <u>425.13</u> first 5,000 gallons
Water Base Rate 6" Meter	\$568.89 <u>625.78</u> first 5,000 gallons
Water Base Rate 8" Meter	\$758.52 <u>834.37</u> first 5,000 gallons
<u>Water Multi-Family Residential Base Rate</u>	<u>\$17.50 per unit</u>
Residential Water Usage Rates: Tier 1 (5,001 – 15,000) Tier 2 (15,001– 30,000+) Tier 3 (30,001 – 50,000) Tier 4 (50,001+)	<u>\$1.77</u> <u>1.95</u> per 1,000 gallons <u>\$2.03</u> <u>2.23</u> per 1,000 gallons <u>\$2.50</u> <u>2.75</u> per 1,000 gallons <u>\$2.75</u> <u>3.03</u> per 1,000 gallons
Commercial Water Usage Rates: Tier 1 (5,001 – 30,000) Tier 2 (30,001 – 100,000) Tier 3 (100,001+)	<u>\$1.77</u> <u>1.95</u> per 1,000 gallons <u>\$2.50</u> <u>2.75</u> per 1,000 gallons <u>\$2.75</u> <u>3.03</u> per 1,000 gallons
Sewer Base Rate	\$17.25 <u>17.94</u>
<u>Sewer Multi-Family Residential Base Rate</u>	<u>\$10 per unit</u>
Sewer Usage Rate	\$3.50 <u>3.64</u> per 1,000 gallons
Transportation Utility	\$3.5 Per ERU
Storm Water Utility	\$5 Per ERU

SANITATION FEES

90-Gallon Residential Can	\$13
Second 90-Gallon Residential Can	\$8



Recycling Can	\$6

FACILITIES RENTAL FEES

Council Chambers Rental	\$75 per hour for Resident, \$150 per hour for Non-Resident
Council Chambers Cleaning Deposit	\$75 for Resident, \$150 for Non-Resident
Small Park Pavilion Rental	\$40 for Resident, \$80 for Non-Resident
Small Park Pavilion Cleaning Deposit	\$40 for Resident, \$80 for Non-Resident
Large Park Pavilion Rental	\$75 for Resident, \$150 for Non-Resident
Large Park Pavilion Cleaning Deposit	\$75 for Resident, \$150 for Non-Resident
Special Event Rental Deposit	\$300
Multi-Day Special Event Rental Deposit	\$500 per day
Pavilion Rental Cancellation Fee	\$5
4 Hour Field Rental at Gammon Park (Monday—Thursday)	\$300 Deposit + \$75 for Residents, \$150 for Non-Resident or Holiday Reservations
4 Hour Field Rental at Gammon Park (Weekend)	\$300 Deposit + \$100 for Residents, \$200 for Non-Residents or Holiday Reservations
All other parks, Single Soccer 4 Hour Field Rental (Monday – Thursday)	\$300 Deposit + \$150 for Residents, \$300 for Non-Resident or Holiday Reservations
All other parks, Single Soccer 4 Hour Field Rental (Weekend)	\$300 Deposit + \$200 for Residents, \$400 for Non-Residents or Holiday reservations
Court Rental	\$25 per hour per court
Pickleball Net Rental	\$50 Refundable Deposit
Pickleball Net Repair/Replacement Fee	Up to \$300
Outdoor Basketball Court Rental	\$25 per hour per ½ court
Non-Existing Line Painting – Per Field	1-499 Feet - \$100 500-999 Feet - \$125



	1000+ Feet - \$150
Remarking Line Painting – Per Field	1-499 Feet - \$20 500-999 Feet - \$25 1000+ Feet - \$30

SPECIAL EVENT FEES*

Special Event Permit	\$50
Special Event with Vendors	\$75
Special Events with >250 participants	\$100
Special Events longer than 6 hours	\$150
Multi-Day Special Events	\$200
Film Permit	\$50
Summer Celebration Food Vendor	\$100 per day
Summer Celebration Vendor Booth	\$100
Boo-A-Palooza Vendor Fee	\$50
Bounce House Deposit	\$100
Onsite Dumpster or Equipment Permit	\$72 per dumpster
Additional Dumpster Reserved	\$174 per 6-yard dumpster
Excess Garbage Pickup	Up to \$600 based on quantity picked up
Extra trash can with bags	\$15 per five cans
Personnel (total compensation per employee, per hour, during regular business hours)	Parks Department - \$35 Streets Department - \$35 Special Events Department - \$32
Penalty for operating without a permit	Double the application fee and any damage caused by the special event

*Special event and facility rental fees may be waived at the discretion of City Council. See special event code for fee waiver consideration reasons.



CODE ENFORCEMENT FEES

Code Violation Fee (per calendar year from first offense)	1 st Offense - \$100 2 nd Offense - \$200 3 rd (or more) Offense - \$400
Civil Penalty Fee	\$25 minimum to \$1,000 maximum per day, per violation
Civil Penalty Fee- Occupancy Violation	\$100 per day, per violation
Civil Penalty Fee- Home Occupation Operating without License	\$25 per day, per violation
Civil Penalty Fee- Commercial Business Operating without License	\$50 per day, per violation
Code Violation Fee - Interest	20% per annum of total outstanding amounts
Default/Administrative Code Enforcement Hearing Fee	\$100
Animal Defecation without Removal Fine	\$250
Off-Leash Animal Fine	\$250

BUSINESS LICENSING FEES

Home-Based Occupation (exceeds residential impact)	\$50
Home-Based Occupation (does not exceed residential impact)	\$0
Accessory Dwelling Unit Business License (Biennial)	Initial Fee \$100 Renewal Fee \$50
Industrial Manufacturing/Distribution	\$250



Restaurant/Food	\$190
Food Truck Fee	\$25 per truck
Retail	\$215
Service Related	\$150
Renewal Fee (all license types except Alcohol and Towing/Parking Enforcement)	\$25
Alcohol and Towing/Parking Enforcement Renewal Fee	Same as Initial Fee
Solicitor License	\$30
Itinerant Merchant	\$50
Itinerant Merchant Refundable Deposit	\$300
Towing/Parking Enforcement Certificate	\$50
Class A- D Beer License	\$400 + Proof of \$5,000 Bond
Class E Beer License	\$400 + Proof of \$10,000 Bond
A or B Liquor License	\$300 + Proof of \$10,000 Bond
Class C Liquor License	\$300 + Proof of \$1,000 Bond
Unclassified Business	\$25 Base fee until classification established by Resolution
Business fitting in 2+ Categories	Higher rate
Late Renewal Fee (during renewal grace period)	\$25
Daily penalty fee if license not renewed by end of renewal grace period	Half of the license fee
Penalty Fee for doing business without a Vineyard Business License	Equivalent to the license fee

LAND USE APPLICATION FEES

Development Agreement	\$1,500
Development Agreement Amendment	\$1,500
Subdivision – Preliminary Plat	\$1,930 +\$6.20 per lot



Subdivision – Preliminary Plat – Additional Review	\$786 + \$2.50 per lot
Subdivision – Final Plat	\$1,940 + \$6.20 per lot
Subdivision – Final Plat Additional Reviews	\$1010 + \$2.50 per lot
Condominium Plat – New or Conversion	\$1,406 + \$25 per unit
Major Plat Amendment	\$1,706
Minor Plat Amendment	\$1,406
Neighborhood Plan	≥ 10 acres = \$2663 < 10 acres = \$500
Planned Unit Development	\$1000
Recording Fees	As charged by Utah County Recorder
Site Plan – Residential	\$2,663
Site Plan – Non-residential	\$3,756
Site Plan – Non-residential – Additional Reviews	\$1,693 for each additional review after two reviews
Site Plan – Minor Amendment	\$500
General Plan Text Amendment	\$1,000
General Plan Map Amendment	\$1000
Land Use Text Amendment	\$1,000
Land Use Map Amendment	\$1000
Lot Line/Property Boundary Line Adjustment	\$300
Conditional Use Permit	\$400
Temporary Use Permit	\$75
Variance	\$100
Appeals	\$100
Zoning Verification	\$100
Sign Permit	\$150
Sign Standard Waiver	\$250
Commercial Temporary Sign Permit	\$25
Street and Traffic Control Signs	\$350 per post



Land Disturbance Permit	\$50 + \$20 per acre + \$30 per month
Land Disturbance Permit – Subdivision and Site Plan	Included in engineering inspection fees
Engineering Inspection Fees – Subdivision Related	3% of bid tabulation placed in escrow before construction begins.
Engineering Inspection Fees – Non-Subdivision Related	\$150 per hour, rounded up to nearest hour
Engineering Re-Inspection Fees	\$150 per hour, 2-hour minimum
Street Light Fee	\$10,000 per light
Street Sign Fee	\$300 per sign
Demolition	Up to \$500 plan review fee
Encroachment Permit	\$150 + \$1 per square foot
Jet Truck Work Request	\$190/hour – Minimum of 2 hours
Fine for Use of Public Right of Way without Approved Permit	\$300 + \$150 per hour inspector is onsite past initial hour
Infrastructure Construction	Bond/Escrow account as determined by bid tabulation
Building Relocation	\$500 Plan Review Fee
Full or Partial Road Closure	\$50
Use of City Barricades for Road Closure	\$300 refundable deposit per set of barricades
Additional plan review required by changes, additions, or revisions to any land use applications	\$65 per hour, half hour minimum
Special Planning Commission Meeting	\$390 per meeting

BUILDING PERMIT FEES

TOTAL VALUATION	FEE
\$1 to \$1,300	\$48



\$1,301 to \$2,000	\$48 for the first \$1,300; plus \$3 for each additional \$ 100 or fraction thereof, to and including \$2,000
\$2,001 to \$40,000	\$69 for the first \$2,000; plus \$11 for each additional \$1,000 or fraction thereof, to and including \$40,000
\$40,001 to \$100,000	\$487 for the first \$40,000; plus \$9 for each additional \$1,000 or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$1,027 for the first \$100,000; plus \$7 for each additional \$1,000 or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$3,827 for the first \$500,000; plus \$5 for each additional \$1,000 or fraction thereof, to and including \$1,000,000
\$1,000,001 to \$5,000,000	\$6,327 for the first \$1,000,000; plus \$3 for each additional \$1,000 or fraction thereof, to and including \$5,000,000
\$5,000,001 and over	\$18,327 for the first \$ 5,000,000; plus \$1 for each additional \$1,000 or fraction thereof
Residential Plan Review	25% of Building Permit Fee
Commercial Plan Review	65% of Building Permit Fee
Duplicate Plan Review	15% of Building Permit Fee



Reinstating an Expired Permit	\$50 + any additional review time
Fire Inspection & Plan Review	10% of Building Permit Fee

BUILDING INSPECTION FEES

Inspections outside of normal business hours	\$48 per hour, two-hour minimum
Re-inspection	\$48 per hour
Inspection for which no specific fee is indicated	\$48 per hour, one-hour minimum
Additional plan review required by changes, additions, or revisions to plans,	\$85 per hour, one-hour minimum
Use of outside consultants for plan checking and inspections, or both	Actual costs, including administrative and overhead costs
Fire Inspection	Included in Business License Fee
Work Without a Permit*	\$100 per infraction
Working Beyond a Stop Work Order*	\$200 per infraction

*Fines doubled for each subsequent infraction

IMPACT FEES

(Impact Fee Area Maps may be found on the City's Website)

Sewer Facilities Per Equivalent Residential Unit (ERU) ^{1,2}	• Area A - \$539 • Area B - \$2,391 • Area C/RDA - \$539
Culinary and Irrigation Water Systems Per ERU ^{1,3}	• Area A - \$873 • Area B (RDA) - \$521
Roadway Facilities Per Trip End Unit based on ITE	• Area A - \$3,586 • Area B (RDA) - \$1,286



Storm and Ground Water Per ERU ^{1,4}	• Area A - \$222 • Area B - \$337 • Area C - \$237
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¹ ¾ inch water connection is 1 ERU

² Additional fees may apply to units with more than 5-bathroom equivalent drains

³ Additional fee may apply to certain high water uses (e.g., Car Wash) without water reduction measures in place

⁴ Additional fee may apply to certain sites if above city's maximum impervious area requirement

PASS THROUGH FEES

Timpanogos Special Service District	Equal to District's impact fee as dictated by the current Impact Fee Facilities Plan/Schedule.
Orem Water Reclamation	Equal to Orem City's impact fee as dictated by the current Impact Fee Facilities Plan/Schedule.
Orem Water Rights	Equal to Orem City's Water Rights as dictated in their up-to-date Consolidated Fee Schedule.

All impact fees will be assessed at the time building permits are issued. All other development Impact Fees will be calculated based on Equivalent Residential Units.

WATER DEPARTMENT FEES

¾" Water Meter & Connection Fee	\$363
1" Water Meter & Connection Fee	\$495
1½" Water Meter & Connection Fee	\$775
2" Water Meter & Connection Fee	\$1,206
Water Lateral Inspection Fee	\$50
Water Meter Reconnect Fee	\$50



Utility Application Fee	\$20
Fire Hydrant Meter Rental Deposit	\$1625
Fire Hydrant Meter Penalty Fees	1 st missed read = \$50 2 nd missed read = \$100 3 rd missed read = \$200 Any missed reads after the 3 rd month will be penalized \$400 per month until meter is returned
Daily Rate – Fire Hydrant Meter	\$10/100 month
Water Rate – Fire Hydrant Meter	\$2 Per 1,000 gallons of water
Residential Construction Water	\$50 minimum
Non-Residential Construction Water	\$50 minimum
Illegal Connection to Water System	\$1,000 per occurrence



VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: February 22, 2023

Agenda Item: 9.3 A resolution authorizing the issuance and sale of not more than \$20,000,000 aggregate principal amount of Water and Sewer Revenue Bonds, Series 2023; and related matters.

Department: Finance

Presenter: David Mortensen

Background/Discussion:

Vineyard City intends to issue Water and Sewer Revenue Bonds in the near future to help fund multiple water system and sewer system projects currently underway and planned to begin soon. Specifically, this funding would help pay for the 6-million-gallon water tank and water pipeline projects currently under construction, as well as sewer lift station improvements that are planned for the near future. This resolution authorizes the issuance of not more than \$20,000,000 aggregate principal amount of Water and Sewer Revenue Bonds, sets the maximum number of years (35) over which the bonds may mature, the maximum interest rate (6.0%) which the bonds may bear, and the maximum discount from par (97%) at which the bonds may be sold. The resolution also delegates to certain officers of the City the authority to approve the final terms and provisions of the bonds within the parameters set forth in the resolution; provides for the publication of a notice of public hearing date (March 22, 2023); authorizes and approves the execution of an indenture, a preliminary official statement, an official statement, a bond purchase agreement, and other documents required in connection therewith; authorizes the taking of all other actions necessary to the consummation of the transactions contemplated by the resolution; and related matters.

Fiscal Impact:

Obligation to repay not more than \$20,000,000 in Water and Sewer Revenue bonds over a period not to exceed 35 years with an interest rate not to exceed 6.0%. The debt service on the bonds will be repaid with Water and Sewer system revenues.

Recommendation:

Approval of the Resolution

Sample Motion: I move to adopt Resolution 2023-11, as presented.



VINEYARD CITY COUNCIL STAFF REPORT

Attachments:

Parameters Resolution 2023-11

Bond Purchase Contract

General Indenture of Trust

First Supplemental Indenture

Preliminary Official Statement.

Vineyard, Utah
February 22, 2023

The City Council (the “Council”) of Vineyard City, Utah (the “City”), met in regular session at 6:00 p.m. on February 22, 2023, at the regular meeting place of the Council, with the following members present:

Julie Fullmer	Mayor
Tyce Flake	Councilmember
Amber Rasmussen	Councilmember
Mardi Sifuentes	Councilmember
Cristy Welsh	Councilmember

Also present:

David Mortensen	Finance Director
Pamela Spencer	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this February 22, 2023, 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: None

The resolution is as follows:

RESOLUTION NO. 2023-11

A RESOLUTION OF THE CITY COUNCIL OF VINEYARD CITY, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$20,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE BONDS, SERIES 2023; 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 “Board”) of the Issuer desires to (a) finance all or a portion of the costs of constructing a water tank, pipelines and various improvements to the Issuer’s water and sewer system, and all related improvements (the “Series 2023 Project”), (b) fund any necessary debt service reserve funds, and (c) pay costs of issuance with respect to the Series 2023 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 and Sewer Revenue Bonds, Series 2023 (the “Series 2023 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 2023 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, there has been presented to the Board 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 2023 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 2023 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 2023 Bonds to optimize debt service costs to the Issuer, in the consultation with the Issuer’s Municipal Advisor, Lewis Young Robertson & Burningham, Inc. (the “Municipal Advisor”), the Council desires to grant to any one of the Mayor (or any Mayor Pro Tem), the City Manager or the Finance Director (each a “Designated Officer”), the authority to (a) determine whether all or a portion of the Series 2023 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 2023 Bonds shall be sold; and (c) make any changes with respect thereto from those terms which were before the Board 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 Vineyard City, Utah, as follows:

Section 1. For the purpose of (a) financing the Series 2023 Project, (a) funding a deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Series 2023 Bonds, the Issuer hereby authorizes the issuance of the Series 2023 Bonds which shall be designated “Vineyard City, Utah, Water and Sewer Revenue Bonds, Series 2023” (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 \$20,000,000. The Series 2023 Bonds shall mature in not more than thirty-five (35) 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 2023 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 2023 Bonds by the Designated Officers shall be evidenced by the execution of the Bond Purchase Agreement if the Series 2023 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 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 2023 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 2023 Bonds and hereby approves the Official Statement in substantially the same form as the Preliminary Official Statement. The Mayor is hereby authorized to execute the Official Statement evidencing its approval by the Issuer.

Section 5. The 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 2023 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 2023 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 Board 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 2023 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 Recorder are hereby authorized and directed to execute and seal the Series 2023 Bonds and to deliver said Series 2023 Bonds to the Trustee for authentication. The signatures of the Mayor and the Recorder may be by facsimile or manual execution.

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 2023 Bonds in accordance with the provisions of the Indenture.

Section 8. Upon their issuance, the Series 2023 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2023 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2023 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 escrow agreement permitted under the Indenture and tax compliance procedures) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 10. After the Series 2023 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 2023 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 11. The Issuer shall hold a public hearing on March 22, 2023 to receive input from the public with respect to (a) the issuance of the Series 2023 Bonds issued under the Act, and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2023 Bonds issued under the Act will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first published and such publication shall be made (i) once in The Daily Herald, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended. The Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Vineyard City offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the last date of the newspaper publication thereof. The Issuer directs its officers and staff to publish a “Notice of Public Hearing and Bonds to be Issued” in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), that on February 22, 2023, the City Council (the “Council”) of Vineyard City, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Water and Sewer Revenue Bonds, Series 2023 (the “Series 2023 Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer), and called a public hearing to receive input from the public with respect to (a) the issuance of that portion of the Series 2023 Bonds issued under the Act and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2023 Bonds issued under the Act may have on the private sector.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on March 22, 2023, at the hour of 6:00 p.m. at 125 So. Main Street, Vineyard, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Series 2023 Bonds issued under the Act and (b) any potential economic impact that the Project to be financed with the proceeds of that portion of the Series 2023 Bonds issued under the Act may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE SERIES 2023 BONDS

The Series 2023 Bonds will be issued for the purpose of (a) financing all or a portion of the costs of construction of a water tank, pipelines and various improvements to the Issuer’s water and sewer system (the “System”) and all related improvements (the “Series 2023 Project”), (b) funding any debt service reserve funds, as necessary, and (c) paying costs of issuance of the Series 2023 Bonds.

PARAMETERS OF THE SERIES 2023 BONDS

The Issuer intends to issue the Series 2023 Bonds in the aggregate principal amount of not more than Twenty Million Dollars (\$20,000,000), to mature in not more than thirty-five (35) 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 2023 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 Board 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 2023 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2023 Bonds for any reason and at any time up to the issuance of the Series 2023 Bonds.

REVENUES PROPOSED TO BE PLEDGED

The Series 2023 Bonds are special limited obligations of the Issuer payable from the net revenues of the System.

OUTSTANDING BONDS SECURED BY THE REVENUES

The Issuer currently has \$0 of parity bonds outstanding secured by the net revenues of the System.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <http://secure.utah.gov/auditor-search/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact David Mortensen, Finance Director at (801) 226-1929.

TOTAL ESTIMATED COST OF BONDS

Based on the Issuer's current plan of finance for the Series 2023 Project and a current estimate of interest rates, the total principal and interest cost of the Series 2023 Bonds to be issued under the Act to finance the 2023 Project, if held until maturity, is \$35,539,500.

A copy of the Resolution and the Indenture are on file in the office of Vineyard City Recorder, 125 So. Main Street, Vineyard, Utah, where they may be examined during regular business hours of the Recorder from 8:00 a.m. to 5:00 p.m. Monday through Thursday and 8:00 a.m. to Noon on Fridays, 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 (i) any person in interest shall have the right to contest the legality of the Resolution, the Indenture (as it pertains to the Series 2023 Bonds), or the Series 2023 Bonds, or any provision made for the security and payment of the Series 2023 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this February 22, 2023.

/s/ Pamela Spencer
Recorder

Section 12. The Issuer hereby reserves the right to opt not to issue the Series 2023 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 February 22, 2023.

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

DRAFT

(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 UTAH)

I, Pamela Spencer, the duly appointed and qualified City Recorder of Vineyard City, Utah (the “Issuer”), do hereby certify according to the records of the City Council of the Issuer (the “City Council”) in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on February 22, 2023, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on February 22, 2023, and pursuant to the Resolution, there was published a Notice of Public Hearing and Bonds to be Issued no less than fourteen (14) days before the public hearing date: (a) once in The Daily Herald, a newspaper having general circulation within the Issuer, the affidavit of which publication will be attached upon availability, (b) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended and (c) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said Issuer, this February 22, 2023.

(SEAL)

By: _____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Pamela Spencer, the undersigned City Recorder of Vineyard City, Utah (the “Issuer”), do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the February 22, 2023, public meeting held by the City Council of the Issuer (the “City Council”) as follows:

(i) By causing a Notice, in the form attached hereto as Schedule 1, 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; and

(ii) By causing a copy of such Notice, in the form attached hereto as Schedule 1, 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) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to The Daily Herald, either directly or through the newspaper’s subscription to the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2023 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 (i) posted on _____ at the principal office of the City Council, (ii) posted to the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year and (iii) provided to at least one newspaper of general circulation within the Agency either directly or through the newspaper’s subscription to the Utah Public Notice Website (<http://pmn.utah.gov>).

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this February 22, 2023.

(SEAL)

By: _____
City Recorder

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2
ANNUAL MEETING SCHEDULE

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

EXHIBIT B

FORM OF INDENTURE

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

BOND PURCHASE CONTRACT

\$ _____
VINEYARD, UTAH
WATER AND SEWER REVENUE BONDS, SERIES 2023

_____, 2023

Vineyard City
125 So. Main Street
Vineyard, Utah 84059

Ladies and Gentlemen:

The undersigned _____ (the “Underwriter”), offers to enter into this bond purchase contract (the “Purchase Contract”) with Vineyard, Utah (the “City”), which will be binding upon the City and the Underwriter upon the acceptance hereof by the City. This offer is made subject to its acceptance by the City by execution of this Purchase Contract and its delivery to the Underwriter on or before 5:00 p.m., Utah time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the hereinafter defined Official Statement.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the City hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of the City’s \$ _____ aggregate principal amount of Water and Sewer Revenue Bonds, Series 2023 (the “Bonds”) at a purchase price of \$ _____ (representing the par amount of the Bonds, [plus \$ _____ of net original issue premium] and less \$ _____ of Underwriter’s discount).

2. Description and Purpose of the Bonds. The Bonds will be dated the date of Closing (as hereinafter defined) and will be executed by the City and will be authenticated and delivered by U.S. Bank Trust Company, National Association (formerly known as U.S. Bank National Association), as trustee (the “Trustee”), pursuant to the General Indenture of Trust dated as of _____ 1, 2023 (the “General Indenture”), and as supplemented by the First Supplemental Indenture of Trust, dated as of _____ 1, 2023 (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the City and the Trustee. The Bonds shall mature on the dates and in the amounts and shall bear interest as set forth on Exhibit A hereto and shall be as more particularly described in the Indenture and the Official Statement dated _____, 2023, relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

The Bonds are being executed and delivered to (a) finance the construction of a water tank, pipelines and various improvements to the City's water and sewer system (collectively, the "System") and all related improvements and (b) pay costs of issuance of the Series 2023 Bonds.

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

4. Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel (as hereinafter defined), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except for any Hold-the-Price Maturities described in subsection (c) below and Exhibit A attached hereto, the City will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Exhibit A attached hereto sets forth the maturities of the Bonds for which the 10% test has been satisfied as of the date of this Purchase Contract (the "10% Test Maturities") and the prices at which the Underwriter has sold such 10% Test Maturities to the public.

(c) With respect to any maturities of the Bonds that are not 10% Test Maturities, as described in Exhibit A attached hereto (the "Hold-the-Price Maturities"), the Underwriter has offered such maturities of the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto. The City and the Underwriter agree that the (i) the Underwriter shall retain the unsold bonds of each Hold-the-Price Maturity and shall not allocate any such bonds to any other Underwriter and (ii) the restrictions set forth in the next sentence shall apply to the Hold-the-Price Maturities, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date

as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Hold-the-Price Maturities, the Underwriter will neither offer nor sell unsold bonds of such maturity of the Hold-the-Price Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Hold-the-Price Maturities to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Hold-the-Price Maturities 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 agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date (as hereinafter defined) has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires,

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

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

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

(e) The City acknowledges that, in making the representations set forth in this subsection, the Underwriter will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement to adhere to the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or 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 the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the 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 City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

5. Delivery of Official Statement. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2023, relating to the Bonds, which, together with the cover page and appendices thereto, is herein called the “Preliminary Official Statement.” By its acceptance of this proposal, the City hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The City agrees to execute and deliver a final Official Statement in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto, with the consent of the City and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 7(n) hereof. The City hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds: the Preliminary Official Statement, the Official Statement, the Indenture, and the Continuing Disclosure Undertaking (as hereinafter defined) and other documents or contracts to which the City is a party in connection with

the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents, certificates and statements furnished by the City to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

6. The Closing. At _____ a.m., Utah time, on _____, 2023, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter (the “Closing Date”), the City will cause to be executed and delivered (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Underwriter, and (ii) the closing documents hereinafter mentioned at the offices of Gilmore & Bell, P.C. (“Bond Counsel”) in Vineyard, Utah, or another place to be mutually agreed upon by the City and the Underwriter. The Underwriter will accept such delivery of the Bonds and pay the purchase price of such Bonds as set forth in Section 1 hereof in immediately available funds to the order of the City. This payment for and delivery of the Bonds, together with the execution and delivery of the aforementioned documents, is herein called the “Closing.”

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

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

(b) Due Authorization and Approval. By all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained or described in, the Preliminary Official Statement, the Official Statement and the City Documents, and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming the authorization, execution and delivery by the other parties thereto, each City Document and the Bonds will constitute the legally valid and binding obligation of the City enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors’ rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State.

(c) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is as of the date hereof, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain no misstatement of any material fact

and do not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC and DTC's book-entry system).

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) City Agreement to Amend or Supplement Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in Section 240 15c2-12 in Chapter II of Title 17 of the Code of Federal Regulations ("Rule 15c2-12")), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Bonds to reflect such event, the City promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the City shall promptly furnish to the Underwriter a reasonable number of copies or an electronic version acceptable to the Underwriter of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board (the "MSRB"). The Underwriter acknowledges that the end of the "underwriting period" will be the Closing Date.

(f) No Material Change in Finances. Except as otherwise described in the Official Statement, there have not been any material adverse changes in the financial condition of the City since June 30, 2022.

(g) No Breach or Default. As of the time of acceptance hereof, (A) the City is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the City, and (B) the City is not, in any manner which would materially adversely affect the transactions contemplated by the City Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any material trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by

the City Documents, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the City Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the City Documents, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents.

(h) No Litigation. As of the time of acceptance hereof, no litigation, with merit, in the State or federal court has been served on the City or, to the best knowledge of the City after due investigation, is threatened (A) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the City to enter into the City Documents; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the City or to its ability to pay the debt service payments on the Bonds when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence.

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

(j) Further Cooperation: Blue Sky. The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and

regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(k) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with, the City Documents have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

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

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

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

(o) Continuing Disclosure. Except as noted in the Official Statement, within the last five years the City has been in compliance with all continuing disclosure undertakings that it has entered into pursuant to Rule 15c2-12. The City will undertake, pursuant to a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”), to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12. A form of the Continuing Disclosure Undertaking is set forth as Appendix F to the Official Statement.

8. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the City contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(i) Executed Agreements and Performance Thereunder. At the time of the Closing (a) the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (b) there shall be in full force and effect such resolutions (collectively, the "Resolution") as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the City Documents, (c) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing, and (d) the Official Statement shall not have been supplemented or amended, except pursuant to paragraphs 7(d) and 7(e) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(ii) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolution, the City Documents, or any other agreement or document pursuant to which any of the City's financial obligations was issued and the City shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the City to pay debt service on the Bonds.

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

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Bonds or the market price thereof, or the ability of the Underwriter to enforce contracts for the sale at the initial offering prices set forth in the Official Statement, in the opinion of the Underwriter, have been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the

Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority; or

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

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

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

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

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

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

(ix) any event occurring, or information becoming known that, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(x) any litigation or proceedings shall be pending or threatened contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or asserting that the Official Statement contained any untrue statement of material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which there were made, not misleading; or

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

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

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

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

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

(A) The Purchase Contract has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, is a valid and binding agreement of the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(B) The statements contained in the Preliminary Official Statement and the Official Statement on the cover page and under the captions ["INTRODUCTION," "THE SERIES 2023 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," and "TAX MATTERS," and in Appendix B and Appendix D] thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, State law and Bond Counsel's opinions concerning certain federal and State tax matters relating to the Bonds, present a fair and accurate summary of such provisions; and

(C) While such counsel has not verified and is not passing upon and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, such counsel has participated in conferences with representatives of and counsel for the City and representatives of the Underwriter at which the contents of the Preliminary Official Statement and the Official Statement were discussed and revised. Based on such counsel's role as disclosure counsel in connection with the issuance of the Bonds,

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

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

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

(B) The City Documents have been duly authorized, executed and delivered by the City and, assuming the validity thereof against the other parties thereto, constitute the valid, legal and binding agreements of the City enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State, and the City has full right, power and authority to carry out and consummate all transactions contemplated by the City Documents as of the date of the Official Statement and as of the Closing Date;

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

(D) The resolution of the City approving and authorizing the execution and delivery of the City Documents, and approving

the Official Statement, has been duly adopted at a meeting of the governing body of the City, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the resolution is in full force and effect and has not been modified, amended or rescinded;

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

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

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

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

(I) No litigation, with merit, in the State or federal court has been served on the City or, to such counsel’s best knowledge, is threatened, against the City challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the payment of debt service on the Bonds or in any way contesting or affecting the validity of the City Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of the City to enter

into or perform its obligations under any of the City Documents, or, except as described in the Official Statement, under which a determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City, or which, in any manner, questions or affects the right or ability of the City to enter into the City Documents or affects in any manner the right or ability of the City to make payments of principal and interest on the Bonds from Net Revenues.

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

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

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

the form of opinion of Bond Counsel in [Appendix D], as to all of which we do not express any conclusion or belief) contained as of its date or as of the Closing Date contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and

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

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

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

(B) No event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC and DTC's book-entry system); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the City Documents.

(vi) Trustee's Certificate. A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) The Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture, and assuming due authorization and execution by the other party thereto, the Indenture is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms;

(C) The Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter; and

(D) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture.

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

(viii) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the City by duly authorized officers of the City.

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

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

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

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

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

(xiv) [Ratings]. Evidence from S&P Global Ratings (“S&P”) and Moody’s Investors Service, Inc. (“Moody’s”) that the Bonds have been assigned ratings of “___” and “___,” respectively, from S&P and Moody’s.]

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

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

If the City shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor

the City shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

9. Expenses. The Underwriter shall be under no obligation to pay and the City shall pay or cause to be paid the expenses incident to the performance of the obligations of the City hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the cost of preparing, printing, issuing and delivering the Bonds; (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the City; (c) the fees and disbursements of Bond Counsel, Disclosure Counsel, and counsel to the City; (d) the fees and disbursements of the rating agencies; (e) the cost of printing and distributing the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and distributing the Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriter; (f) expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the City's officers or employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees; (g) CUSIP Service Bureau fees and charges; and (h) Trustee fees. The City acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

10. Notice. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to Vineyard City, 125 So. Main Street, Vineyard, Utah 84059, Attention: Finance Director.

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to the Underwriter, _____, _____, _____
Attention: _____.

11. Entire Agreement. This Purchase Contract, when accepted by the City, shall constitute the entire agreement between the City and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the City and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the City's representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

12. No Advisory or Fiduciary Role. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not

acting as the agent, advisor or fiduciary of the City; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); and (v) the City has consulted its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

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

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

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

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

_____, as Underwriter

By: _____
Title:

Accepted as of the date first stated above:

Time of acceptance:

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

This _____, 2023.

VINEYARD, UTAH

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Recorder

EXHIBIT A

\$ _____

VINEYARD, UTAH
WATER AND SEWER REVENUE BONDS, SERIES 2023

Maturity Date (_____1)	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	Hold-the- Price (or Undersold) <u>Maturity</u>
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EXHIBIT B

UNDERWRITER'S RECEIPT OF BONDS AND ISSUE PRICE CERTIFICATE

\$ _____

VINEYARD, UTAH

WATER AND SEWER REVENUE BONDS, SERIES 2023

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

1. Receipt of the Bonds. The Original Purchaser hereby acknowledges receipt of the Bonds pursuant to the Bond Purchase Contract (the "Purchase Contract") by and between the Original Purchaser and Vineyard, Utah (the "Issuer"), dated _____, 2023 (the "Sale Date"). The Bonds are issued as fully registered bonds, and are dated, mature on the dates, bear interest at the rates per annum, and are numbered as set forth in the Indenture (as defined in the Purchase Contract.)

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

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

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

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

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

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

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

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

interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other.

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

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

The Original Purchaser represents as follows:

1. Attached as Schedule B is a copy of the pricing wire or similar communication used to communicate the Initial Offering Price of each Maturity to the Public.
2. As of the Effective Time all the Bonds were the subject of an initial offering to the Public.
3. As of the Effective Time none of the Bonds were sold to any person at a price higher than the Initial Offering Price for that Maturity.
4. As of the Effective Time there were no Undersold Maturities.

_____, as Original Purchaser

By: _____
Title:

Dated: _____, 2023.

To Be Attached:

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

SCHEDULE B — Final Pricing Wire

GENERAL INDENTURE OF TRUST

Dated as of _____ 1, 2023

between

VINEYARD CITY, UTAH

and

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

Relating to

VINEYARD CITY, UTAH
WATER AND SEWER REVENUE BONDS

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THIS GENERAL INDENTURE OF TRUST, dated as of _____ 1, 2023 by and between VINEYARD CITY, UTAH (the “Issuer”), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, and 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 culinary water system and sewer facilities (collectively, 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 Vineyard City, Utah, Water and Sewer Revenue Acquisition/Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

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

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

“Administrative Costs” means all Security Instrument Costs, Reserve Instrument Costs and Rebatale 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, Treasurer 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 Vineyard City, Utah, Water and Sewer Revenue Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

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

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

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

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

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

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

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

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

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

“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 Vineyard City, Utah, Debt Service Reserve Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

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

or, if provided in the related Supplemental Indenture, may be accumulated over time. Each Account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

“Direct Obligations” means noncallable Government Obligations.

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

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

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

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

“Fitch” means Fitch Ratings.

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

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

- (p) State and Local Government Series issued by the United States Treasury (“SLGS”);

- (q) United States Treasury bills, notes and bonds, as traded on the open market;

- (r) Zero Coupon United States Treasury Bonds; and

- (s) 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 Vineyard City, Utah, and its successors.

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

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

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

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

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

(u) 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 and sewer systems. “Qualified Engineer” may include any registered or licensed engineer employed by the Issuer.

“Qualified Investments” means any of the following securities:

- (a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA's);

(c) Money market funds rated "AAAm" or "AAAm-G" or better by S&P and/or the equivalent rating or better of Moody's (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody's or A-1+ by S&P, and which matures not more than 270 days after the date of purchase;

(e) Bonds, notes or other evidences of indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

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

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

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

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

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

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

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

“Rebate Fund” means the Vineyard City, Utah, Water and Sewer Revenue Rebate Fund created in Section 3.8 hereof to be held by the Trustee and administered pursuant to Section 5.8 hereof.

“Register” means the record of ownership of the Bonds maintained by the Registrar.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“S&P” means S&P Global Ratings.

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

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

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

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

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

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

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

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

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

“State” means the State of Utah.

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

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

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

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

“System” means collectively, the Issuer’s culinary water facilities and sewer facilities, equipment and improvements, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said system, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses, 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 leadlines applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

ARTICLE II

THE BONDS

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

Section 2.2 Description of Bonds; Payment.

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

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

(c) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. Unless otherwise specified in the related Supplemental Indenture, the interest on Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be

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

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

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

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

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

Section 2.4 Authentication and Delivery of Bonds.

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

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

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

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

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

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

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

executed and delivered by the Issuer and is a valid and binding and 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; and

provided, however, that such Net Revenue coverage test set forth in Subsection (b) above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued 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 Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Net Revenues.

ARTICLE 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 fifteenth 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 Rebatable 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) 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, and 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 thirty (30) 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, 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 as to it at 147 North 870 West,

Vineyard City, Utah 84737, 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 So. 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 11.7 Applicable Law. THIS INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE.

Section 11.8 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 11.9 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 11.10 Effective Date. This Indenture shall become effective immediately.

Section 11.11 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.

VINEYARD CITY, UTAH, as Issuer

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

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

By: _____

Title: _____

EXHIBIT A

FORM OF REQUISITION

Re: Vineyard City, Utah, Water and Sewer Revenue Bonds, _____ in the sum
of \$ _____

U.S. Bank Trust Company, National Association
170 So. Main Street, Suite 200
Salt Lake City, UT 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 _____ 1, 2023

by and between

VINEYARD CITY, UTAH

and

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

Supplementing the
General Indenture of Trust
Dated as of _____ 1, 2023

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FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of _____ 1, 2023, by and between Vineyard City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the “Issuer”) and 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”);

W I T N E S S E T H:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of _____ 1, 2023 (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 culinary water system and sewer facilities (the “System”) as hereinafter set forth; and

WHEREAS in order to (i) finance the construction of a water tank, pipelines and various water and sewer improvements to the Issuer’s System and all related improvements (collectively, the “Series 2023 Project”) (ii) [fund a deposit to a debt service reserve fund] and (iii) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Water and Sewer Revenue Bonds, Series 2023 in the aggregate principal amount of \$_____ (the “Series 2023 Bonds”); and

WHEREAS, the Series 2023 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 2023 Bonds and of this First Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2023 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 2023 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 2023 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 2023 Bonds, each _____ and _____, commencing _____.

“Series 2023 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 2023 Bonds shall be deposited as provided herein.

“Series 2023 Bonds” means the Vineyard City, Utah, Water and Sewer Revenue Bonds, Series 2023 authorized herein.

“Series 2023 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 2023 Debt Service Reserve Requirement” means, with respect to the Series 2023 Bonds, an amount equal to \$_____.

“Series 2023 Project” means the construction of a water tank, pipelines, and various improvements to the System, an all related improvements.

“Underwriter” means _____, as purchaser of the Series 2023 Bonds pursuant to a Bond Purchase Agreement dated _____, 2023, by and between the Underwriter and the Issuer.

ARTICLE II

ISSUANCE OF THE SERIES 2023 BONDS

Section 2.1. Principal Amount, Designation and Series. The Series 2023 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Series 2023 Project (ii) [fund a deposit to a debt service reserve fund] and (iii) pay costs incurred in connection with the issuance of the Series 2023 Bonds. The Series 2023 Bonds shall be limited to \$_____ in aggregate principal amount, shall be issued in fully registered form, shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof, and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Series 2023 Bonds shall be designated as and shall be distinguished from the Bonds of all other series by the title, “Water and Sewer Revenue Bonds, Series 2023.”

Section 2.2. Date, Maturities and Interest. The Series 2023 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 2023 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		
(____1)	<u>Principal Amount</u>	<u>Interest Rate</u>

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

Section 2.3. Optional Redemption. The Series 2023 Bonds maturing on or before _____, are not subject to redemption prior to maturity. The Series 2023 Bonds maturing on or after _____ are subject to redemption prior to maturity in whole or in part at the option of the Issuer on _____, or on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Issuer at a redemption price equal to 100% of the principal amount of the Series 2023 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 2023 Bonds maturing on _____ 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
(February 1)

Mandatory Sinking Fund
Redemption Amount

* Final Maturity Date

Upon redemption of any Series 2023 Bonds maturing on _____ 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 2023 Bonds maturing on _____, 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 2023 Bonds and the City Recorder to countersign and attest by facsimile or manual signature the Series 2023 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2023 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2023 Bonds.

Section 2.6. Delivery of Bonds. It is hereby determined that the Series 2023 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 2023 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 2023 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 2023 Bonds shall be, and the Series 2023 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 2023 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 2023 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 2023 Bonds. Upon initial issuance, the ownership of each such Series 2023 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 2023 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 2023 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 2023 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2023 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 2023 Bonds. The Issuer, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, absolute owner of each Series 2023 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2023 Bond, (2) giving notices of redemption and other matters with respect to such Series 2023 Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2023 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 2023 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 2023 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 2023 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 2023 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 2023 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 2023 Bonds or the Issuer; and the Issuer shall, by notice to the Registrar, terminate the services of DTC with respect to the Series 2023 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 2023 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2023 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2023 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 2023 Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2023 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2023 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 2023 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 2023 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 2023 Bonds.

(iv) Notwithstanding any other provision of this First Supplemental Indenture to the contrary, so long as any Series 2023 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 2023 Bond and all notices with respect to such Series 2023 Bond shall be made and given, respectively, to DTC.

(v) In connection with any notice or other communication to be provided to Holders of Series 2023 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 2023 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 2023 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. [Bank Designation of Series 2023 Bonds. For purposes of and in accordance with Section 265 of the Code, the Issuer has designated the Series 2023 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2023 will not exceed \$10,000,000. For purposes of this Section, “aggregated issuer” means any entity which, (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is directly or indirectly controlled by the Issuer within the meaning of Treasury Regulation Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer, and all aggregated issuers for calendar year 2023 does not exceed \$10,000,000.]

Section 2.12. 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 2023 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 2.13. Series 2023 Bonds as Initial Bonds. The Series 2023 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 2023 Accounts. There is hereby established with the Trustee [(i) a Series 2023 Account within the Debt Service Reserve Fund,] and (ii) a Series 2023 Account within the Acquisition/Construction Fund.

Section 3.2. Application of Proceeds of the Series 2023 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2023 Bonds in the amount of \$_____ (being an amount equal to the principal amount thereof, [plus a net reoffering premium of _____,] and less an Underwriter's discount of \$_____), and the Trustee shall deposit said proceeds into the Series 2023 Acquisition/Construction Account.

Section 3.3. [No Series 2023 Debt Service Reserve Requirement. There shall be no Debt Service Reserve Requirement with respect to the Series 2023 Bonds.]

Section 3.4. Series 2023 Acquisition/Construction Account. Disbursements of moneys in the Series 2023 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 2023 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 2023 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 2023 Bonds. The sale of the Series 2023 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. Applicable Law. THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE OF UTAH.

Section 5.5. 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.

VINEYARD CITY, UTAH

(SEAL)

By: _____
Mayor

COUNTERSIGN:

City Recorder

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

By: _____

Title: _____

EXHIBIT A

(FORM OF SERIES 2023 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
VINEYARD CITY, UTAH
WATER AND SEWER REVENUE BONDS
SERIES 2023**

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

Number R - _____ \$ _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____ %	_____	_____, 2023	

Registered Owner: CEDE & CO.

Principal Amount: _____

Vineyard City, Utah ("Issuer"), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on _____ and _____ of each year, commencing _____ (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 and Sewer Revenue Bonds, Series 2023” (the “Series 2023 Bonds”) in the aggregate principal amount of \$_____ of like tenor and effect, except as to date of maturity and interest rate, numbered R-1 and upwards, issued by the Issuer pursuant to a General Indenture of Trust dated as of _____ 1, 2023, as amended and supplemented by a First Supplemental Indenture of Trust dated as of _____ 1, 2023 (collectively the “Indenture”) approved by a resolution of the Issuer adopted on February 22, 2023 (the “Bond Resolution”), for the purpose of (i) financing the construction of a water tank, pipelines and various water and sewer improvements to the Issuer’s water and sewer system (the “System”) and all related improvements, (ii) [funding a deposit to a debt service reserve fund] and (iii) 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 “Vineyard City, Utah Water and Sewer Revenue Bond Fund” (the “Bond Fund”), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Net Revenues (as defined in the Indenture) derived and to be derived from the Issuer’s System all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2023 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 2023 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 2023 Bonds, the terms upon which the Series 2023 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 2023 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2023 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 2023 Bonds shall be in default, interest on the Series 2023 Bonds issued in exchange for Series 2023 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2023 Bonds surrendered.

The Series 2023 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, and this Bond does not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that it will cause to be collected and accounted for sufficient Net Revenues as will at all times be sufficient to pay promptly the principal of and interest on this Bond and the issue of which it forms a part and to make all payments

required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

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

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

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

VINEYARD CITY, UTAH

(SEAL)

(facsimile or manual signature)

Mayor

COUNTERSIGN:

(facsimile or manual signature)

City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Water and Sewer Revenue Bonds, Series 2023 of Vineyard City, 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 So. Main Street
Salt Lake City, Utah 84101

Pursuant to Section 3.4 of the First Supplemental Indenture of Trust dated as of _____ 1, 2023, you are hereby authorized to pay to the following costs of issuance from the Series 2023 Acquisition/Construction Account:

(See Attached Schedule)

AUTHORIZED REPRESENTATIVE,
VINEYARD CITY, UTAH

Costs of Issuance

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

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2023

BOOK-ENTRY ONLY

Rating: [] “ ”
(See “BOND RATING” 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 2023 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 2023 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Series 2023 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.

VINEYARD CITY, UTAH

\$(PAR)*

WATER AND SEWER REVENUE BONDS, SERIES 2023

Dated: Date of Initial Delivery

Due: [], as shown on inside front cover

The Water and Sewer Revenue Bonds, Series 2023 (the “Series 2023 Bonds”) are issued by Vineyard City, Utah (the “City”) as fully registered bonds, and when initially issued, will be registered in the name of Cede & Co., as nominee of DTC, New York, New York, which will act as securities depository for the Series 2023 Bonds. Purchases of ownership interests in Series 2023 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 2023 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 2023 Bonds. See “THE SERIES 2023 BONDS,” herein.

Interest on the Series 2023 Bonds is payable on [] and [] of each year, commencing [], 20__. So long as DTC or its nominee is the registered owner of the Series 2023 Bonds, payments of the principal of and interest on such Series 2023 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.

The Series 2023 Bonds are [subject to optional and sinking fund redemption]. See “THE SERIES 2023 BONDS—Redemption” herein.

The Series 2023 Bonds are being issued to (i) finance all or a portion of the costs of constructing a water tank, pipelines and various improvements to the City’s water and sewer system (the “System”), and all related improvements (the “Series 2023 Project”); (ii) [fund a deposit to a debt service reserve fund]; and (iii) pay costs associated with the issuance of the Series 2023 Bonds. See “THE SERIES 2023 PROJECT” herein.

The Series 2023 Bonds are special limited obligations of the City, payable solely by a pledge and assignment of Net Revenues from the System, after payment of Operation and Maintenance Expenses of the System, and moneys on deposit in the funds and accounts (other than the Rebate Fund and the Repair and Replacement Fund) established in the Indenture between the City and U.S. Bank Trust Company, National Association, as trustee. The Series 2023 Bonds do not constitute a general obligation indebtedness or a pledge of the 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 System, the improvements financed with the proceeds of the Series 2023 Bonds or any portion thereof to secure payment of the Series 2023 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Series 2023 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 for the City. Certain legal matters will be passed upon for the City by [Hayes Godfrey Bell, P.C.], as legal counsel to the City. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C. as disclosure counsel to the City. Certain matters will be passed upon for the Underwriter by []. It is expected that the Series 2023 Bonds, in book-entry form only, will be available for delivery to DTC or its agent on or about May __, 2023.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement is dated _____, 2023, and the information contained herein speaks only as of that date.

STIFEL

* Preliminary; subject to change.

VINEYARD CITY, UTAH
\$[PAR]*
WATER AND SEWER REVENUE BONDS, SERIES 2023

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS/PRICES

Due (_____)	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield/Price</u>	<u>CUSIP†</u>
----------------	--------------------------	----------------------	--------------------	---------------

[\$ _____ % Term Bond Maturing on _____, 20____; Price: _____%; CUSIP† _____]

* Preliminary; subject to change.

† The above-referenced CUSIP numbers 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 2023 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 2023 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2023 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.

No dealer, broker, salesperson 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 as having been authorized by the City or the Underwriter. 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 2023 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City or in any other information contained herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2023 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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.

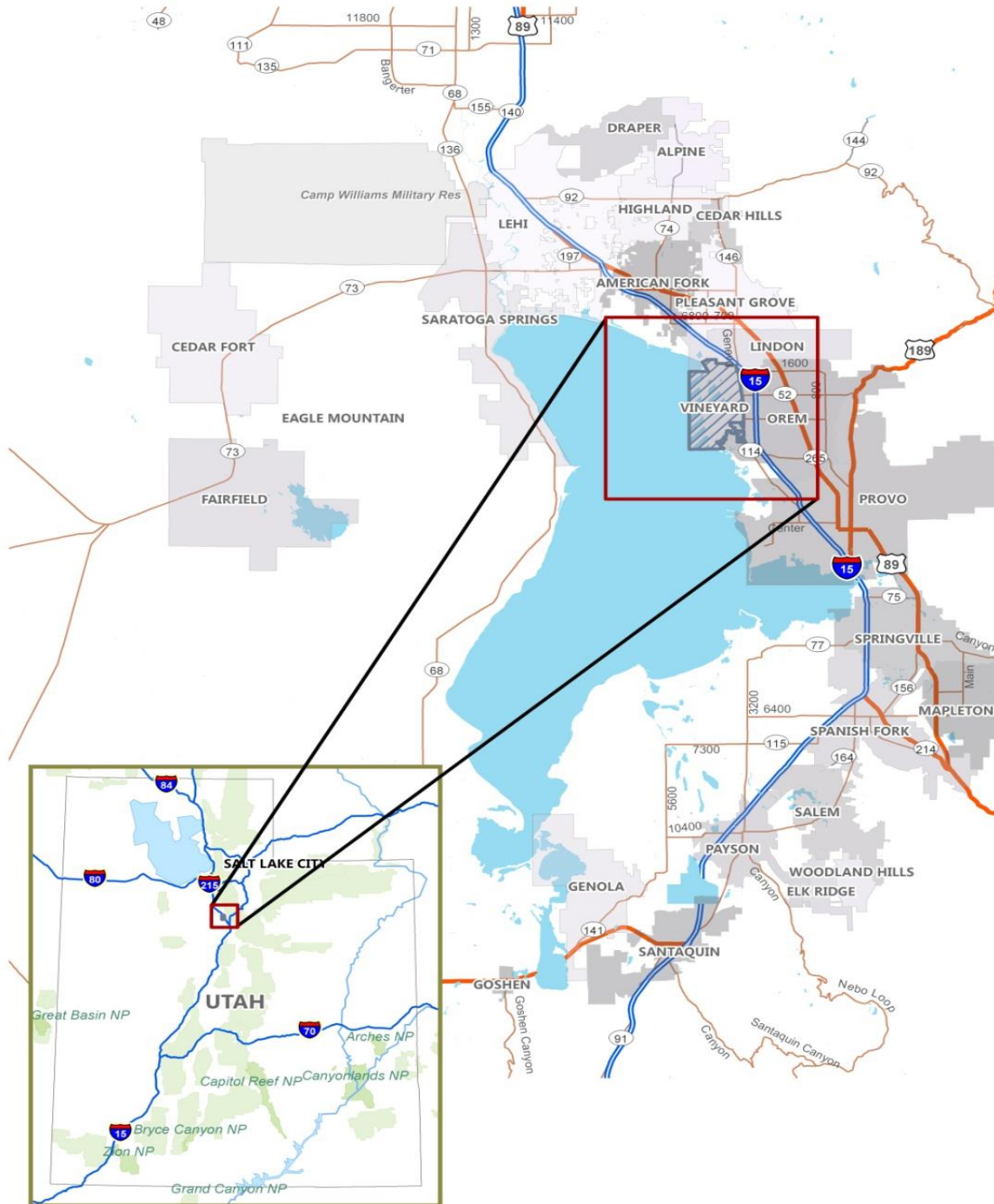
This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions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

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The City maintain websites; however, the information presented there is not a part of this Official Statement, is not incorporated by reference, and should not be relied upon in making an investment decision with respect to the Series 2023 Bonds.

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

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE SECURITY FOR THE BONDS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.



Location of Vineyard City, Utah

[PAR]*
VINEYARD CITY, UTAH
WATER AND SEWER REVENUE BONDS, SERIES 2023

125 South Main Street
Vineyard, Utah 84059
(801) 226-1929

MAYOR AND CITY COUNCIL

Julie Fullmer	Mayor
Tyce Flake	Councilmember
Amber Rasmussen	Councilmember
Mardi Sifuentes	Councilmember
Cristy Welsh	Councilmember

CITY ADMINISTRATION

Ezra Nair	City Manager
David Mortensen	Finance Director
Chris Wilson	Public Works Director
Pamela Spencer	City Recorder

TRUSTEE, PAYING AGENT & REGISTRAR

U.S. Bank Trust Company, National Association
170 South Main Street, Suite 200
Salt Lake City, Utah 84111
(801) 534-6051

MUNICIPAL ADVISOR

Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700

BOND & DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
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

* Preliminary; subject to change.

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OFFICIAL STATEMENT
RELATING TO
VINEYARD CITY, UTAH
[PAR]*
WATER AND SEWER REVENUE BONDS, SERIES 2023

INTRODUCTION

This Official Statement, which includes the cover page, introduction and appendices, provides information regarding (i) the issuance and sale by Vineyard City, Utah (the “City”), of its \$[PAR]* Water and Sewer Revenue Bonds, Series 2023 (the “Series 2023 Bonds”). This introduction is only a brief description of the Series 2023 Bonds, as hereinafter defined, the security and sources of payment for the Series 2023 Bonds and certain information regarding the City and its water and sewer systems (together, the “System”). The information contained herein is expressly qualified by reference to the entire Official Statement. Investors are urged to make a full review of the entire Official Statement.

See the following appendices that are attached hereto and incorporated herein by reference: APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022; APPENDIX B—FORM OF THE GENERAL INDENTURE; APPENDIX C—DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND UTAH COUNTY; APPENDIX D—FORM OF OPINION OF BOND COUNSEL; APPENDIX E—FORM OF CONTINUING DISCLOSURE UNDERTAKING; and APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.

Authority and Purpose of the Series 2023 Bonds

The Series 2023 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953; (ii) a General Indenture of Trust, dated as of May 1, 2023, as supplemented by a First Supplemental Indenture of Trust, dated as of May 1, 2023 (together, the “Indenture”), each by and between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and (iii) other applicable provisions of law. For a description of certain terms of the Series 2023 Bonds and the Indenture, including redemption provisions of the Series 2023 Bonds, see “THE SERIES 2023 BONDS” below.

The Series 2023 Bonds are being issued to (i) finance all or a portion of the costs of constructing a water tank, pipelines and various improvements to the System, and all related improvements (the “Series 2023 Project”); (ii) [fund a deposit to a debt service reserve fund]; and (iii) pay costs associated with the issuance of the Series 2023 Bonds. See “THE SERIES 2023 PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The System

[The System provides water and sewer services to homes, businesses, and institutions in the City. The System service area is approximately ___ square miles. The City’s water system (the “Water System”) has approximately ___ connections and had an average consumption of approximately ___ million gallons per day (“MGD”) during the fiscal year ended June 30, 2022. The Water System currently has ___ miles of water distribution lines, ___ miles of water laterals, and ___ water storage tanks with a total water storage capacity of ___ million gallons. The primary sources of water for the City are ___. The City’s sewer system (the “Sewer System”) includes ___ miles of sewer pipe ranging from ___ inches to ___ inches in size and ___ sewer lift stations serving ___ sewer connections. The Water System and the Sewer System are together referred to herein as the “System.”] See “THE SYSTEM.” [City to update and revise as needed.]

* Preliminary; subject to change.

Security and Sources of Payment of the Bonds

The Series 2023 Bonds are special limited obligations of the City, payable solely from and secured solely by a pledge and assignment of Revenues of the System, after payment of Operation and Maintenance Expenses (as each such term is defined in APPENDIX B hereto) of the System (the “Net Revenues”), and moneys on deposit in the funds and accounts established under the Indenture (other than the Rebate Fund and the Repair and Replacement Fund). The Revenues consist of all revenues, fees, income, rents and receipts received or earned by the City from or attributable to the ownership and operation of the System, together with all interest earned by and profits derived from the sale of investments in the related funds thereof.

The Series 2023 Bonds do not constitute a general obligation indebtedness or a pledge of the 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 System or any of the improvements financed with the proceeds of the Series 2023 Bonds or any portion thereof to secure payment of the Series 2023 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Initial Bonds and Additional Bonds

The Series 2023 Bonds are the initial Series of Bonds under the Indenture. The Indenture permits the issuance of additional bonds (the “Additional Bonds”) secured by the Net Revenues, on an equal lien parity with the Series 2023 Bonds, but requires that the City provide certain certificates and opinions as a condition to the issuance of Additional Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds” herein. The Series 2023 Bonds and any Additional Bonds are collectively referred to herein as the “Bonds.”

Debt Service Reserve Requirement

[A Series 2023 Debt Service Reserve Account will be established under the Indenture. The Debt Service Reserve Requirement for the Series 2023 Bonds is \$_____.]

Redemption Provisions

The Series 2023 Bonds are subject to [optional redemption and sinking fund redemption] prior to maturity as described herein.

Registration, Denominations, Manner of Payment

The Series 2023 Bonds are issuable in book-entry only form through The Depository Trust Company, New York, New York (“DTC”). Interest on the Series 2023 Bonds is payable on [_____] and [_____] of each year, commencing [_____] 2023 (each an “Interest Payment Date”). So long as DTC or its nominee is the registered Owner of the Series 2023 Bonds, payments of principal, premium, if any, and interest will be made to DTC, which will, in turn, remit such payments to its participants for subsequent disbursements to the Beneficial Owners of the Series 2023 Bonds. For a description of the book-entry only system, see “THE SERIES 2023 BONDS—Book-Entry Only System” below.

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 2023 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 2023 Bonds is exempt from State of Utah individual income taxes.

Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Series 2023 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. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2023 Bonds.

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

The Series 2023 Bonds are offered, subject to prior sale, when, as, and if issued and received by Stifel, Nicolaus & Company, Incorporated, as underwriter of the Series 2023 Bonds (the “Underwriter”), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel for the City, and certain other conditions. Certain legal matters will be passed on for the City by [Hayes Godfrey Bell, P.C.], as legal counsel to the City. See “LEGAL MATTERS” below. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C. as disclosure counsel to the City. Certain matters will be passed upon for the Underwriter by [_____]. It is expected that the Series 2023 Bonds in book-entry form only will be available for delivery to DTC or its agent on or about May [___], 2023.

Continuing Disclosure

The City will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the Beneficial Owners of the Series 2023 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The expected form of the Undertaking is attached hereto as APPENDIX D to which reference is made for a description of the information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies. [The City has not previously entered into any continuing disclosure undertakings.]

A failure by the City to comply with the Undertaking will not constitute an event of default under the Indenture and Beneficial Owners of the Series 2023 Bonds are limited to the remedies described in the Undertaking. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Series 2023 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2023 Bonds and their market price.

Basic Documentation

Brief descriptions of the City, the Series 2023 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 and the Series 2023 Bonds, are qualified in their entirety by reference to the complete text thereof. A copy of the Indenture is available for inspection at the principal office of the Trustee on or after the delivery of the Series 2023 Bonds. During the period of the offering of the Series 2023 Bonds, a copy of the Indenture will be available from the “contact persons” as indicated below. Also see APPENDIX B—FORM OF THE GENERAL INDENTURE below.

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 this entire Official Statement. A full review should be made of this entire Official Statement. The offering of Series 2023 Bonds to potential investors is made only by means of this entire Official Statement. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in APPENDIX B—FORM OF THE GENERAL INDENTURE.

See also the following appendices attached hereto: APPENDIX A—BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022; APPENDIX B— FORM OF THE GENERAL INDENTURE; APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING UTAH COUNTY; APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING; APPENDIX E—FORM

OF OPINION OF BOND COUNSEL; and APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.

Contact Persons

The chief contact person for the City concerning the Series 2023 Bonds is:

[Ezra Nair]
City Manager
Vineyard City
125 South Main Street
Vineyard, Utah 84059
(801) 226-1929
[ezran@vineyardutah.org]

The chief contact person for the Municipal Advisor concerning the Series 2023 Bonds is:

Laura Lewis, Principal
David Robertson, Principal
Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700
laura@lewisyoung.com
david@lewisyoung.com

THE SERIES 2023 BONDS

General

The Series 2023 Bonds are issuable only in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series 2023 Bonds are dated as of the date of their initial delivery, and bear interest (computed on the basis of a year of 360 days consisting of twelve 30-day months) at specific rates, payable on [] and [] in each year, commencing [], 2023 (each an “Interest Payment Date”), and mature, subject to prior redemption as described under “Redemption” below, on November 1 of the years, all as set forth on the inside front cover page of this Official Statement.

The principal of and premium, if any, on the Series 2023 Bonds are payable at the principal corporate trust office of the Trustee in Salt Lake City, Utah, upon presentation and surrender thereof. Interest on the Series 2023 Bonds will be paid to the person who is the Registered Owner thereof as of the close of business on the fifteenth day next preceding such Interest Payment Date (the “Regular Record Date”) or as of a special record date as provided in the Indenture for defaulted interest and will be paid by check or draft drawn on the Trustee, as Paying Agent, and mailed not later than each Interest Payment Date to the Registered Owner thereof at the address on the registration books maintained by the Trustee (the “Register”) or at such other address as is furnished to the Trustee in writing by the Registered Owner thereof prior to the Regular Record Date, notwithstanding the cancellation of any such Series 2023 Bond upon any exchange or transfer thereof subsequent to the Regular Record Date and prior to such Interest Payment Date. The principal of, and premium, if any, and interest on, the Series 2023 Bonds will be paid in lawful money of the United States of America.

Book-Entry Only System

The Series 2023 Bonds originally will be issued solely in book-entry form to The Depository Trust Company (“DTC”), New York, N.Y., or its nominee, Cede & Co., to be held in DTC’s book-entry system. So long as such Series 2023 Bonds are held in the book-entry only system, DTC or its nominee will be the Registered Owner of such

Series 2023 Bonds for all purposes of the Indenture, the Series 2023 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series 2023 Bonds may be made in denominations described above. For a description of the book-entry only system for the Series 2023 Bonds, see “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

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.

Registration, Transfer and Exchange

The City shall cause books for the registration or transfer of the Series 2023 Bonds to be kept at the principal corporate trust office of the Trustee and appoints the Trustee to act as its registrar and transfer agent to keep such books and to make such registration and transfers. Upon surrender for transfer of any Series 2023 Bond at the principal corporate trust office of the Trustee, the City shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Series 2023 Bond or Bonds of authorized denomination for the aggregate principal amount which the registered Owner is entitled to receive. Series 2023 Bonds of authorized denominations may be exchanged for Series 2023 Bonds of other authorized denominations of the same maturity, and interest rate upon request of the Owner thereof.

All Series 2023 Bonds presented for transfer, exchange, or payment shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form approved by the Trustee, duly executed by the registered Owner or by his duly authorized attorney.

New Series 2023 Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Series 2023 Bonds surrendered, shall be secured by and entitled to all of the security and benefits of the Indenture to the same extent as the Series 2023 Bonds surrendered. No service charge shall be made for any exchange, transfer, or registration of Series 2023 Bonds, but the City may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The City and the Trustee shall not be required to transfer or exchange any Series 2023 Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen days prior to the mailing of notice calling any Series 2023 Bonds for redemption, to and including the date of such mailing, or at any time following the mailing of notice calling such Series 2023 Bond for redemption.

Redemption

[Optional Redemption]. The Series 2023 Bonds maturing (or subject to mandatory redemption) on or after _____, 20____, are subject to call and redemption prior to maturity on any date on or after _____, 20____, in whole or in part, from such maturities or parts thereof as may be selected by the City and by lot within each maturity if less than the full amount of any maturity is to be redeemed at a redemption price equal to 100% of the principal amount of the Series 2023 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.]

[Mandatory Sinking Fund Redemption]. The Series 2023 Bonds maturing on _____, 20____ are subject to mandatory sinking fund redemption at a price of 100% of the principal amount thereof plus accrued interest to the redemption date on the dates and in the principal amounts as follows:

Redemption Date
(_____)

Principal
Amount

* Final Maturity.]

Upon redemption of any Series 2023 Bonds maturing on _____, 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 2023 Bonds maturing on _____, 20____, in such order of mandatory sinking fund date as shall be directed by the City.]

Selection for Redemption. If fewer than all of the Series 2023 Bonds are to be redeemed, the particular maturities of such Series 2023 Bonds to be redeemed and the principal amounts of such maturities to be redeemed shall be selected by the City. If fewer than all of the Series 2023 Bonds of any one maturity are called for redemption, the particular units of Series 2023 Bonds, as determined in accordance with the Indenture, to be redeemed will be selected by the Trustee randomly in such manner as the Trustee, in its discretion, may deem fair and appropriate.

Notice and Effect of Redemption. In the event any of the Series 2023 Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in the Indenture. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Series 2023 Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar, at least 30 days but not more than 60 days prior to the date fixed for redemption. If at the time of mailing of any notice of optional redemption there is not on deposit with the Trustee moneys sufficient to redeem all the Series 2023 Bonds called for redemption, such notice will state that such redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Series 2023 Bonds to be redeemed and that if such moneys are not so received said notice is of no force and effect and the City is not required to redeem such Series 2023 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.

THE SERIES 2023 PROJECT

A portion of the proceeds from the Series 2023 Bonds will be used to pay all or a portion of the costs of improvements to the System, including the costs of constructing a water tank, pipelines and various improvements to the Water System and the Sewer System. *[Add more discussion of Project?]*

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Series 2023 Bonds are estimated to be as follows:

Sources of Funds

Par Amount of Series 2023 Bonds	\$
[Net] Reoffering Premium.....	
Total	\$

Uses of Funds

Deposit to Construction Fund.....	\$
Costs of Issuance ⁽¹⁾	
Total	\$

⁽¹⁾ Includes legal fees, rating agency fees, registrar, paying agent fees, underwriter's discount, municipal advisor fees, and other miscellaneous costs of issuance.

DEBT SERVICE SCHEDULE ON THE BONDS

The following table shows the debt service requirements for the Series 2023 Bonds for the fiscal years shown:

<u>Fiscal Year</u>	<u>Principal</u>	Series 2023 Bonds <u>Interest</u>	<u>Fiscal Year Total</u>
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
TOTAL			

* Preliminary; subject to change.
(Source: The Municipal Advisor.)

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are special, limited obligations payable from and secured solely by a pledge and assignment of the Net Revenues of the System, as described herein. 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.

See “APPENDIX B— FORM OF THE GENERAL INDENTURE.”

Flow of Funds

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

As a first charge and lien on the Revenues, the City shall cause to be paid from the Revenue Fund from time to time as the City shall determine, all Operation and Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.

So long as any Bonds are Outstanding under the Indenture, 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 fifteenth 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 City 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 City 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.)

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

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required by the Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided in the Indenture, and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund, or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the City shall deposit Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with 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 as under subsection (ii) below 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 under subsection (i) above) 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.

As a fourth charge and lien on the Net Revenues (and, if applicable any amounts on deposit in the Rate Stabilization Fund), the City shall deposit in the Repair and Replacement Fund any amount required by the Indenture and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding (or, after the issuance of Additional Bonds, the amount required to be on deposit therein), from time to time, the City shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System after payments required by the flow of funds described above in this section 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 following paragraph, this provision is not intended to limit the right of the City to deposit additional moneys in the Repair and Replacement Fund from time to time as the City may determine.

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

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

Rate Covenant

The City covenants in the Indenture that while any of the principal of and interest on the Bonds are outstanding and unpaid, or any Repayment Obligations are outstanding, any resolution or other enactment of the governing body of the City, 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 City and to its inhabitants and to all rate payers within or without the boundaries of the City, 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 in the Indenture; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free service, and such rates shall be charged against all users of the System, including the City. The City agrees that should its annual financial statement disclose that during the period covered by such financial statement the Net Revenues and Other Available Funds were not at least equal to the above requirement, the City shall request that a Qualified Engineer, independent accountant, or other independent financial consultant make recommendations as to the revision of the rates, charges and fees and that the City on the basis of such recommendations will revise the schedule of rates, charges and fees and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues and Other Available Funds as required in the Indenture.

Rate Stabilization Fund and Other Available Funds

The City may elect to create and maintain the Rate Stabilization Fund as a separate fund of the City. The Rate Stabilization Fund may be funded by the City from legally available funds of the City and/or Revenues of the System following the payment of obligations of the System (including operation and maintenance costs, debt service and the funding of reserves). The City may, from time to time, designate a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Funds. Except for amounts designated as provided in the immediately preceding sentence (for the year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the City for any lawful purpose. To the extent that amounts on deposit in the Revenue Fund are insufficient in any year for any of the purposes thereof the City covenants that, to the extent amounts are on deposit in the Rate Stabilization Fund, to transfer amounts from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency. "Other Available Funds" has been defined under the Indenture to mean, for any year, the amount available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund, as designated by the City.

Repair and Replacement Fund

Under the Indenture, the City may elect to create and maintain the Repair and Replacement Fund as a separate fund of the City. [In connection with the issuance of the Series 2023 Bonds, the Repair and Replacement Requirement will be \$0.]

Debt Service Reserve Fund

[The reserve requirement for the Series 2023 Bonds is \$_____. A subaccount in the Debt Service Reserve Fund has been established for the Series 2023 Bonds and will be funded by _____.]

Additional Bonds

No additional indebtedness, bonds or notes of the City secured by a pledge of the Revenues senior to the pledge of Net Revenues for the payment of the Bonds shall be created or incurred without the prior written consent of the owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, bonds or notes of the City payable on a parity with the Series 2023 Bonds out of Net Revenues shall be created or incurred, unless the following requirements have been met:

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

(b) The Net Revenues plus Other Available Funds 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 in this subsection (b) will not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the Indenture, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith, and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

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

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

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

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

(2) verifying that the Estimated Net Revenues as shown in (1) above for each of such Bond Fund Years are not less than 125% of the Aggregate Annual Debt Service Requirement for each of such Bond Fund Years with respect to all of the Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Additional Bonds so proposed to be issued.

For purposes of this subsection (c), "Estimated Net Revenues" shall be determined by the Authorized Representative as follows:

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

(B) Next, the additional Net Revenues, if any, resulting from the Project, or any portion thereof, financed with the proceeds of the Additional Bonds will be estimated by the Qualified Engineer for the applicable Bond Fund Years as determined in (c)(1)(i) or (ii) above.

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

(d) All payments required by the Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund the full amount required by the Indenture to be accumulated therein at such time.

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

[The City currently has no plans to issue Additional Bonds within the next three years. However, the City reserves the right to issue additional series of Additional Bonds as its capital needs require.]

THE SYSTEM

[City to update and revise as needed.]

Structure and Management

[The City Engineer is responsible for new construction of any improvements to the System. The Director of Public Works is responsible for the maintenance, operation, and management of the System. Employees from other City departments provide accounting, billing, inventory control, data processing, legal, and other services for the System. The City maintains separate enterprise funds to account for revenues and expenses of the Water System and the Sewer System.]

The Water System

Overview. The Water System currently has approximately ____ miles of transmission lines, ____ miles of lateral lines and ____ water storage tanks with storage capacity of approximately ____ million gallons. The primary sources of water for the City are set forth below. The Water System currently services [____% of] City residents

Water Supply. The City's water sources are _____.

The following table shows the City's historic, actual production of water by source from fiscal year 20____ to 20____.

Historic Water Production by Source in Acre Feet ("AF")

<u>Fiscal Year</u>	<u>[Springs]</u>	<u>[Wells]</u>	<u>[Surface Water]</u>	<u>MWDO</u>	<u>Total</u>
2022					
2021					
2020					
2019					
2018					
2017					
2016					
2015					
2014					
2013					

[The City currently has legal entitlement to approximately _____ acre feet of water from _____. Although the City has legal entitlement to such amount of water, it may not be able to access all of that water since the City can

only draw the water according to its availability, which could fluctuate due to climate conditions. The City reports that the historic availability of water has more than amply provided for its needs.]

[Pursuant to an Interlocal Agreement dated June 28, 2011 (the “Interlocal Agreement”) by and among the City, the Metropolitan Water District of Orem (the “MWDO”) and Orem City, the City and MWDO have agreed to sell up to 3,500 acre feet per year of Orem City and MWDO water to the City. The Interlocal Agreement requires that the City must subscribe to an initial 500-acre-foot block and 100-acre-foot blocks after the initial 500-acre-foot block. The City must pay to Orem City an amount equal to the cost of the water plus a 50% surcharge, treatment and carriage costs, and an administrative fee (which amount currently totals 17% of all costs). The Interlocal Agreement contains a scheduled expiration date of June 30, 2057, but negotiations to terminate this agreement [by 2024?] years are underway.]

The following table sets forth the projected sources and amount of legal entitlement to those sources for the next five years. As stated above, although the City has legal entitlement to such amounts, it may not be able to draw the entire amount due to availability.

Projected Water Production by Source (AF)

<u>Year</u>	<u>Springs</u>	<u>Well</u>	<u>Surface</u>	<u>Total Sources⁽¹⁾</u>
2024				
2025				
2026				
2027				
2028				

⁽¹⁾ While the anticipated water production by source will vary from year to year, the total production is projected to remain consistent over the next five years as a result of water conservation measures and water reuse implementation.

Storage Capacity. The City has ___ water storage tanks with approximately ___ million gallons of water storage capacity. State law requires that water storage systems have adequate storage for periods when demand exceeds supply. As part of the Series 2023 Project, the City plans to begin construction of ___. The use of the water storage tanks enables the Water System to provide adequate service during peak demand times when the customers are using more water than can be produced at one time. The storage tanks feed water to the distribution system by gravity.

Distribution. The distribution facilities of the Water System include approximately ___ miles of transmission pipelines ranging from ___ to ___ inches. The Water System also has another approximately ___ miles of service laterals that bring the water from the mains to the customers. Most of the Water System is made of cast iron or ductile iron pipe. The water is brought from the mainlines to the customer through the service laterals and is metered at this point. The majority of the lines in the Water System are approximately ___ to ___ years old.

[Describe other aspects of water distribution system?]

Water Rights, Licenses, Permits, Approvals, and Environmental Considerations. [The City has obtained all necessary State water rights in connection with the wells of the Water System. The City has obtained all necessary state and local licenses, permits and approvals for operation and maintenance of the City’s water facilities. The City is not aware of any material environmental issues facing the Water System.]

[The City reports that the Water System is currently operated in compliance with the provisions of all applicable environmental health and safety laws and regulations including, but not limited to, the Safe Drinking Water Act of 1986 and the Utah Safe Drinking Water Act.]

Water Rates. The City Council 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's water rates consist of a base rate based on meter size with an initial allowance of 5,000 gallons plus a tiered usage rate for amounts over 5,000 gallons as shown below. Charges are assessed on total consumption in increments of 1,000 gallons in a manner established by policy and ordinances.

Monthly Water Base Rates by Meter Size

<u>Meter Size</u>	<u>Base Rate</u>
3/4"	\$27.09
1"	37.93
1 1/2"	48.76
2"	78.56
3"	297.99
4"	386.48
6"	568.89
8"	758.52

Water Usage Rates

Residential Water Usage Rates

Tier 1 (5,001 – 15,000)	\$1.77 per 1,000 gallons
Tier 2 (15,001 – 30,000)	2.03 per 1,000 gallons
Tier 3 (30,001 – 50,000)	2.50 per 1,000 gallons
Tier 4 (50,001+)	2.75 per 1,000 gallons

Commercial Water Usage Rates

Tier 1 (5,001 – 30,000)	\$1.77 per 1,000 gallons
Tier 2 (30,001 – 100,000)	2.50 per 1,000 gallons
Tier 3 (100,000+)	2.75 per 1,000 gallons

Connections, Consumption, and Largest Water Users. The following tables set forth fees associated with installing water meters, historical and projected growth in the number of water connections, and summarizing various components of revenues and/or consumption by users of the Water System.

Connection Fees

<u>Water Meter Size</u>	<u>Connection Fees</u>
3/4"	
1"	
1-1/2"	
2"	
3" – 12"	

Water Connections Historical Growth

<u>Fiscal Year</u>	<u>Connections</u>	<u>Change From Prior Year</u>
2022		
2021		
2020		
2019		
2018		
2017		
2016		
2015		
2014		
2013		

Water Sales and Consumption

<u>Fiscal Year</u>	<u>Total Sales in Dollars</u>	<u>% Total Change</u>	<u>Average Bill Per Year</u>	<u>Total Sales in 1,000 Gallons</u>
2022				
2021				
2020				
2019				
2018				
2017				
2016				
2015				
2014				
2013				

The following table sets forth the largest water users of the Water System for the fiscal year ended June 30, 2022. Such users also have the largest bills for services provided by the Water System.

Largest Users of the Water System

<u>Entity</u>	<u>Type of Entity</u>	<u>Annual Consumption in 1,000 Gallons</u>	<u>Percentage of Total Consumption</u>	<u>Total Sales</u>
---------------	-----------------------	--	--	--------------------

Note: [Based on total water consumption for fiscal year 2022 of _____.]

The Sewer System

General. The Sewer System consists of approximately ____ miles of ____” to ____” sewer collection main lines. Sewage from the Sewer System is treated by the Orem Water Reclamation Facility.

Orem Water Reclamation Facility. The Orem Water Reclamation Facility is located in the neighboring city of Orem and is designed to treat an average daily inflow of 13,500,000 gallons from domestic, commercial, and industrial sources. Approximately [8,200,000 gallons] of wastewater are treated each day, meeting all current State and EPA requirements.

The Orem Water Reclamation Facility utilizes an extended aeration activated sludge treatment process. The facility consists of three bar screens, two air-lift grit chambers, four primary clarifiers, three BNR bioreactors (oxidation ditches), four final clarifiers, ultraviolet disinfection, DAF thickener, two-stage anaerobic digesters (three units), and two de-watering belt presses. One hundred percent of the biosolids are currently transported and land-applied on local agricultural lands.

Average Daily Flows. The following table sets forth the historical and projected average daily influent flow from the Sewer System into the Orem Water Reclamation Facility, expressed in million gallons per day (“MGD”). The average daily flow for the last five years is ____ MGD. The average daily flows on an annual basis from the Sewer System for the last five years are shown below.

Historical Average Daily Flow	
<u>Year</u>	<u>Average Daily Flow (MGD)</u>
2022	
2021	
2020	
2019	
2018	

Service Connections. The following table sets forth the actual number of service connections to the Sewer System for the years shown:

Service Connections				
<u>Year</u>	<u>Residential</u>	<u>Commercial/ Industrial⁽¹⁾</u>	<u>Total Connections</u>	<u>Percent Change from Prior Year</u>
2022				
2021				
2020				
2019				
2018				
2017				
2016				
2015				
2014				
2013				

Sewer System Rates and Charges. Sewer System customers are charged a base and usage rate for sewer services. Customers pay a base rate of \$17.25 and a usage rate of \$3.50 per 1,000 gallons.

Largest Users of the Sewer System. The following table sets forth the largest users of the Sewer System and the approximate revenues derived by the City from sewer services to those users for the fiscal year ended June 30, 2022:

Largest Users of the Sewer System

<u>Name of User</u>	<u>Revenues</u>	<u>Percent of Total System Revenues</u> ⁽¹⁾
---------------------	-----------------	--

⁽¹⁾ Based on total operating revenues of the Sewer System for fiscal year 2022 of \$_____.

Licenses, Permits, Approvals and Environmental Considerations. [The City is in compliance with all required licenses, permits, approvals and environmental considerations with respect to the operation of the Sewer System. In addition, the System has not received any notice of violations in at least the last five years.]

Billing and Collection Procedures

[Customers are billed monthly in a combined statement that includes storm sewer, water, sewer, and other miscellaneous City charges. Payment of the bill is due in approximately ____ days. When an account is ____ days past due, a \$____ late fee is assessed. If within ____ days thereafter the City has not received full payment of the past due amount, water service is terminated. Payment in full is necessary to restore water service. In fiscal year 2022, the City collected approximately ____% of total billings for utilities on time. Any partial payments received on the combined bill are applied first to pay other charges prior to paying the charges for water service.]

[Management Discussion of Operations]

[To be added]

[Historical and Projected Revenues and Debt Service Coverage of the System]

[To be added – Municipal Advisor to provide]

VINEYARD, UTAH
Statement of Net Position—Proprietary Fund—Water Fund

(This summary is unaudited.)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Fiscal year ended June 30,</i>					
ASSETS:					
Current assets:					
Cash & cash equivalents		\$4,287,916	\$5,743,822	\$2,570,386	\$1,247,244
Accounts receivable, net		<u>622,125</u>	<u>242,198</u>	<u>180,544</u>	<u>188,951</u>
Total current assets		<u>4,910,041</u>	<u>5,986,020</u>	<u>2,750,930</u>	<u>1,436,195</u>
Non-current assets:					
Capital assets:					
Not being depreciated		531,575	531,575	531,575	531,575
Net of accumulated depreciation		<u>4,140,722</u>	<u>3,233,194</u>	<u>2,153,296</u>	<u>1,871,914</u>
Other non-current assets		—	—	—	1,019,039
Total non-current assets		<u>4,672,297</u>	<u>3,764,769</u>	<u>2,684,871</u>	<u>3,422,527</u>
Total assets		<u>\$9,582,338</u>	<u>\$9,750,789</u>	<u>\$5,435,801</u>	<u>\$4,858,723</u>
LIABILITIES:					
Current liabilities:					
Accounts payable		195,488	260,059	270,285	269,658
Accrued liabilities		<u>1,052,640</u>	<u>3,049,526</u>	<u>283,601</u>	<u>386,231</u>
Total current liabilities		<u>1,248,127</u>	<u>3,309,585</u>	<u>553,886</u>	<u>655,890</u>
Non-current liabilities:					
Notes payable		406,286	437,605	739,260	757,091
Total non-current liabilities		<u>406,286</u>	<u>437,605</u>	<u>739,260</u>	<u>757,091</u>
Total liabilities		<u>1,654,413</u>	<u>3,747,190</u>	<u>1,293,146</u>	<u>1,412,981</u>
NET POSITION:					
Net investment in capital assets		4,266,011	3,327,164	1,945,611	2,665,436
Restricted for capital projects		2,200,259	2,200,259	—	1,560,350
Restricted for impact fees		—	—	1,751,281	—
Unrestricted		1,461,655	476,176	445,763	(780,044)
Total net position		<u>7,927,925</u>	<u>6,003,599</u>	<u>4,142,655</u>	<u>3,445,742</u>
Total liabilities & net position		<u>\$9,582,338</u>	<u>\$9,750,789</u>	<u>\$5,435,801</u>	<u>\$4,858,723</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the fiscal years 2018 through 2022. This summary has not been audited.)

VINEYARD, UTAH
Statement of Revenues, Expenses, And Changes In Net Position
–Proprietary Fund– Water Fund

(This summary is unaudited.)

	<i>Fiscal year ended June 30,</i>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating income:					
Charges for sales & service		\$2,229,675	\$1,849,132	\$1,454,883	\$981,367
Connection fees		<u>152,962</u>	<u>140,709</u>	<u>117,298</u>	<u>203,377</u>
Total operating income		<u>2,382,637</u>	<u>1,989,841</u>	<u>1,572,181</u>	<u>1,184,744</u>
Operating expenses:					
Personnel services		377,216	335,427	306,986	202,421
Utilities		37,143	75,194	53,592	13,069
Repair & maintenance		1,267,955	1,072,409	1,019,394	895,008
Professional & technical		8,204	17,452	11,322	9,187
Other supplies & expenses		3,579	3,314	3,608	2,180
Depreciation expense		<u>120,144</u>	<u>81,433</u>	<u>70,020</u>	<u>68,530</u>
Total operating expense		<u>1,814,241</u>	<u>1,585,229</u>	<u>1,464,921</u>	<u>1,190,394</u>
Net operating income (loss)		568,396	404,612	107,260	(5,650)
Non-operating income (expense)					
Impact fees		388,754	332,861	236,765	422,904
Interest income		<u>5,205</u>	<u>6,139</u>	<u>8,625</u>	<u>4,695</u>
Total non-operating income (expense)		<u>393,959</u>	<u>339,000</u>	<u>245,390</u>	<u>427,599</u>
Income (loss) before capital contributions & transfers		962,354	743,612	352,650	421,950
Developer contributions		1,027,672	1,161,332	344,263	–
Transfers out		<u>(65,700)</u>	<u>(44,000)</u>	=	=
Change in net position		1,924,326	1,860,944	696,913	421,950
Net position - beginning		<u>6,003,599</u>	<u>4,142,655</u>	<u>3,445,742</u>	<u>3,023,792</u>
Net position - ending		<u>\$7,927,925</u>	<u>\$6,003,599</u>	<u>\$4,142,655</u>	<u>\$3,445,742</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the fiscal years 2018 through 2022. This summary has not been audited.)

VINEYARD, UTAH
Statement of Net Position—Proprietary Fund—Sewer Fund

(This summary is unaudited.)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Fiscal year ended June 30,</i>					
ASSETS:					
Current assets:					
Cash & cash equivalents		\$387,576	\$567,915	\$401,665	\$189,699
Accounts receivable, net		<u>187,650</u>	<u>142,309</u>	<u>99,391</u>	<u>79,239</u>
Total current assets		<u>575,226</u>	<u>710,224</u>	<u>501,056</u>	<u>268,937</u>
Non-current assets:					
Capital assets:					
Not being depreciated		—	—	—	1,563,455
Net of accumulated depreciation		9,677,080	8,821,520	7,929,477	6,428,264
Other non-current assets		—	—	103,125	53,732
Total non-current assets		<u>9,677,080</u>	<u>8,821,520</u>	<u>8,032,602</u>	<u>8,045,452</u>
Total assets		<u>\$10,252,305</u>	<u>\$9,531,744</u>	<u>\$8,533,658</u>	<u>\$8,314,389</u>
LIABILITIES:					
Current liabilities:					
Accounts payable		152,331	227,004	99,112	150,063
Accrued liabilities		<u>40,917</u>	<u>16,183</u>	<u>16,449</u>	<u>16,173</u>
Total current liabilities		<u>193,248</u>	<u>243,187</u>	<u>115,561</u>	<u>166,236</u>
Non-current liabilities:					
Notes payable		3,228,031	3,835,739	4,403,434	4,589,932
Total non-current liabilities		<u>3,228,031</u>	<u>3,835,739</u>	<u>4,403,434</u>	<u>4,589,932</u>
Total liabilities		<u>3,421,279</u>	<u>4,078,926</u>	<u>4,518,995</u>	<u>4,756,168</u>
NET POSITION:					
Net investment in capital assets		6,449,049	4,985,781	3,629,168	3,455,520
Restricted for capital projects		319,486	319,486	—	—
Unrestricted		<u>62,492</u>	<u>147,552</u>	<u>385,495</u>	<u>102,701</u>
Total net position		<u>6,831,026</u>	<u>5,452,819</u>	<u>4,014,663</u>	<u>3,558,221</u>
Total liabilities & net position		<u>\$10,252,305</u>	<u>\$9,531,745</u>	<u>\$8,533,658</u>	<u>\$8,314,389</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the fiscal years 2018 through 2022. This summary has not been audited.)

VINEYARD, UTAH
Statement of Revenues, Expenses, And Changes In Net Position
–Proprietary Fund– Sewer Fund

(This summary is unaudited.)

	<i>Fiscal year ended June 30,</i>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating income:					
Charges for sales & service		<u>\$1,432,563</u>	<u>\$1,142,306</u>	<u>\$846,048</u>	<u>\$559,477</u>
Total operating income		<u>1,432,563</u>	<u>1,142,306</u>	<u>846,048</u>	<u>559,477</u>
Operating expenses:					
Personnel services		260,189	227,946	175,279	109,600
Utilities		21,745	28,448	19,775	19,928
Repair & maintenance		674,668	668,500	473,142	386,155
Other supplies & expenses		–	–	–	–
Depreciation expense		<u>369,505</u>	<u>328,810</u>	<u>317,624</u>	<u>262,774</u>
Total operating expense		<u>1,326,107</u>	<u>1,253,704</u>	<u>985,881</u>	<u>778,458</u>
Net operating income (loss)		106,456	(111,399)	(139,833)	(218,981)
Non-operating income (expense)					
Impact fees		<u>135,387</u>	<u>398,202</u>	<u>373,343</u>	<u>531,085</u>
Total non-operating income (expense)		<u>135,387</u>	<u>398,202</u>	<u>373,343</u>	<u>531,085</u>
Income (loss) before capital contributions & transfers		241,842	286,803	233,510	312,104
Developer contributions		1,225,065	1,220,853	222,932	–
Transfers in		–	–	–	15,911
Transfers out		<u>(88,700)</u>	<u>(69,500)</u>	<u>–</u>	<u>–</u>
Change in net position		1,378,207	1,438,156	456,442	328,015
Net position - beginning		<u>5,452,819</u>	<u>4,014,663</u>	<u>3,558,221</u>	<u>3,230,205</u>
Net position - ending		<u>\$6,831,026</u>	<u>\$5,452,819</u>	<u>\$4,014,663</u>	<u>\$3,558,221</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the fiscal years 2018 through 2022. This summary has not been audited.)

THE CITY

General

The City is located in Utah County, Utah, and is approximately five square miles in size. Although the City was incorporated as a town in 1989, due to its location and the presence of the steel plant (Geneva Steel), it remained small with limited growth potential for many years. After Geneva Steel ceased operations in late 2001, much of the land in the City was sold to a developer for remediation and redevelopment. Up until approximately 2015, the City did not have a population base to be considered a city under State law. The City has seen rapid population growth as it has been redeveloped from its former land uses to a mixed-use area. The City's 2021 population was estimated by the U.S. Census Bureau to be 14,025 and the City estimates its current population to be approximately [_____].

Form of Government

State statutes detail the functions to be performed by State municipalities. The City operates under a five-member council form of government. Legislative authority is vested in the City Council, consisting of four City Council members, and a Mayor who serves as the executive authority. The City Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing members to various boards. The City Manager, appointed by the Mayor and Council, is responsible for the hiring and day-to-day operations of City employees. Department managers are responsible for their various departments and report to the City Manager. The Mayor and Council Members are elected for staggered four-year terms. The persons currently serving as Mayor, Council Members, and officers of the City and their respective years of service at the City (which may include service in other positions) are as follows:

<u>Office</u>	<u>Person</u>	<u>Years of Service to the City</u>	<u>Expiration of Term</u>
Mayor	Julie Fullmer	11 ^(a)	December 2025
Council Member	Tyce Flake	7	December 2023
Council Member	Amber Rasmussen	1	December 2025
Council Member	Mardi Sifuentes	1	December 2025
Council Member	Cristy Welsh	7 ^(b)	December 2023
City Manager	Ezra Nair	[_____]	—
Finance Director	David Mortensen	[_____]	—
Public Works Director	Chris Wilson	[_____]	—
City Recorder	Pamela Spencer	10	—

(a) Includes Mayor Fullmer's service on the City planning commission from 2012 to 2014 and on the City Council from 2014 to 2018. Mayor Fullmer began her term as mayor in 2018.

(b) Includes Ms. Welsh's service on the City planning commission from 2016 to 2020. Ms. Welsh began her term on the City Council in 2020.

The principal powers and duties of Utah municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and construct and maintain streets, sidewalks, waterworks, and sewers. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

Employee Workforce and Retirement System

The City employs approximately [_____] full-time employees and [_____] part-time employees (including seasonal employees). The City is a member of the Utah State Retirement Systems (the "Systems") and participates in a deferred compensation plan. The City records a liability and expense equal to its proportionate share of the collective net pension liability and expense of the Systems). See "APPENDIX A—BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022—Notes to Financial Statements, Note 4—Other Information, 4-D. Pension Plans" herein.

OPEB Liability

The City does not offer any other post-employment benefits.

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; and natural disasters. The City participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the year prior to fiscal year ended June 30, 2022. Amounts of settlements have not exceeded insurance coverage in any of the past three 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. All City funds are invested in the Utah Public Treasurers’ Investment Fund (“PTIF”), as discussed below.] [*Confirm*]

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—BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022—Notes to Financial Statements, Note 3—Detailed Notes, 3-A. Deposits and investments.

Additional Information

For additional information with respect to the City and its finances see “FINANCIAL INFORMATION REGARDING THE CITY,” “APPENDIX A—BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022,” and “APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND UTAH COUNTY.”

DEBT STRUCTURE OF THE CITY

Outstanding Municipal Debt

WATER AND SEWER REVENUE BONDS

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Balance Outstanding</u>
2023 ⁽¹⁾	System improvements	\$ _____ *	_____	\$ _____

⁽¹⁾ For purposes of the Official Statement, the Series 2023 Bonds will be considered issued and outstanding.

* Preliminary; subject to change.

No Defaulted Bonds

The City has no record of failure to pay principal and interest when due on any of its bonds, notes or other financial obligations.

Other Financial Considerations

The City has an outstanding note with a developer for work performed related to roads and water, sewer and storm drain infrastructure. The note is payable from impact fees collected in the related area. As of June 30, 2022, the note was outstanding in aggregate principal amount of [\$10,505,046].

The City has entered into various lease agreements to finance the acquisition or use of equipment for public works. Annual lease payments for such capital leases currently total approximately [\$124,057] annually.

[Add RDA Bonds?]

BONDOWNERS' RISKS

The purchase of the Series 2023 Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Series 2023 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.

Limited Obligations

The Series 2023 Bonds are special limited obligations of the City, payable solely from the Net Revenues, moneys, securities and funds pledged therefor in the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein. The Series 2023 Bonds do not constitute a general obligation indebtedness nor are they secured by 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 2023 Bonds or any portion thereof to secure payment of the Series 2023 Bonds.

Operation of the System

In order for the City to make timely payment of the principal and interest requirements of the Series 2023 Bonds and to meet its other obligations under the Indenture, it will be necessary for the City to manage, operate and maintain the System in an efficient and economical manner that is consistent with prudent utility practice. The City is exempt from regulation by the Utah Public Service Commission but the operation of the System is subject to the requirements of various governmental rules and regulations and the System must be operated in compliance with those requirements. In the event that the System is not operated or is not capable of operation as required by the provisions of such governmental rules and regulations, the City may be subject to certain penalties.

To the extent the System develops operational problems, Operation and Maintenance Expenses may need to be reduced or rates for the System may need to be increased to produce sufficient Revenues unless other sources of funds are obtained. In the event that Revenues need to be increased for the continued operation of the System (and to pay debt service on the Series 2023 Bonds), it may be necessary to increase rates for the System. The City has covenanted in the Indenture that it will ensure that the rates for all services supplied by the System to all customers within or without the boundaries of the City when combined with other Revenues, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of not less than 125% of the Aggregate Annual Debt Service Requirement for such Bond Fund Year plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture; provided, however, that pursuant to State law such rates must be reasonable rates for the type, kind and character of the service rendered. Furthermore, the City Council may decide not to make any rate increases due to political, feasibility or other concerns.

Destruction of the System

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

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

[Dependence on Connection and Impact Fees]

[The City has historically experienced significant growth and such growth has contributed to the Revenues in the form of connection and impact fees. Such fees are one-time for each new connection and are therefore dependent

on continued growth to sustain the level of such fees. Should the City experience a period of lower growth, the aggregate amount of such fees collected would be reduced and the City may be required to raise on-going fees for the System in order to recognize the same level of Revenues and to meet its covenants with respect to debt service coverage.]

Climate Change

Climate change caused by human activities may have adverse effects on the System and on the Water System in particular. 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 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 successful materially adverse cyberattack. [The City believes it has made all reasonable efforts to ensure that any such attack is not successful 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-related risks.]

LEGAL MATTERS

General

The authorization and issuance of the Series 2023 Bonds are subject to the approval of 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 its legal counsel, [Hayes Godfrey Bell, P.C.]. Certain legal matters will be passed on for the Underwriter by [_____]. The approving opinion of Bond Counsel will be delivered with the Series 2023 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX D of this Official Statement will be made available upon request from the contact person as indicated under "INTRODUCTION—Contact Persons" above.

Absence of Litigation

[The City Attorney reports that lawsuits have been filed against the City and/or its employees, involving contract, tort and civil rights matters. The City has a statutory obligation to defend and indemnify its officers and employees for lawsuits arising from acts of the employee while in the scope and course of employment. In the event the fund is not sufficient to pay any outstanding judgment or judgments, the City has the ability under State law to levy a limited ad valorem tax to pay such judgments. This tax levy is separate and apart from the other taxing powers of the City.]

The City Attorney has officially advised that, to the best of his knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the Series 2023 Bonds.

INDEPENDENT ACCOUNTANTS

The audited financial statements of the City for the fiscal year ended June 30, 2022, are contained in APPENDIX A to this Official Statement, have been audited by Gilbert & Stewart, P.C. (“Gilbert & Stewart”), as set forth in their report included in APPENDIX A hereto. Gilbert & Stewart has not been asked regarding the use of its name and its report on the financial statements of the City for the fiscal year ended June 30, 2022, in this Official Statement.

MUNICIPAL ADVISOR

The City has engaged Lewis Young Robertson & Burningham, Inc., Salt Lake City, Utah (the “Municipal Advisor”), to provide financial recommendations and guidance to the City with respect to preparation for sale of the Series 2023 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors relating to the sale of the Series 2023 Bonds. The Municipal Advisor has read and participated in the drafting of certain provisions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matters related to the Official Statement. Municipal Advisor fees are contingent upon the sale and delivery of the Series 2023 Bonds.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, as the Underwriter of the Series 2023 Bonds, has agreed, subject to certain conditions, to purchase all of the Series 2023 Bonds from the City at a purchase price of \$_____ (being the par amount of the Series 2023 Bonds plus [net] original issue premium of \$_____ and less Underwriter’s discount of \$_____) and to make a public offering of the Series 2023 Bonds. The Series 2023 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2023 Bonds into investment trusts) at prices lower than the offering prices set forth on the inside cover page of this Official Statement and such public offering prices may be changed from time to time.

Although the Underwriter expects to maintain a secondary market in the Series 2023 Bonds after the initial offering, no guarantee can be given concerning the future existence of such a secondary market or its maintenance by the Underwriter or others.

BOND RATING

[_____] has assigned a municipal bond rating of “_____” to the Series 2023 Bonds

Any explanation of the significance of this rating may be obtained only from the rating service furnishing the same. There is no assurance that a rating given will be maintained for any period of time or that such rating may not be lowered or withdrawn entirely by the related rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Series 2023 Bonds.

Such ratings are not to be construed as a recommendation of the rating agency to buy, sell or hold the Series 2023 Bonds, and the rating assigned by any rating agency should be evaluated independently. Except as may be required by the undertaking described under the heading, “CONTINUING DISCLOSURE UNDERTAKING,” neither the City nor the Underwriter undertake responsibility to bring to the attention of the owners of the Series 2023 Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

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 2023 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 2023 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 2023 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 2023 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law currently existing as of the issue date of the Series 2023 Bonds:

Federal Tax Exemption. The interest on the Series 2023 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. The interest on the Series 2023 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

State of Utah Tax Exemption. The interest on the Series 2023 Bonds is exempt from State of Utah individual income taxes.

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2023 Bonds, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2023 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City 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 2023 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2023 Bonds.

Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2023 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 2023 Bond over its issue price. The stated redemption price at maturity of a Series 2023 Bond is the sum of all payments on the Series 2023 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 2023 Bond is generally the first price at which a substantial amount of the Series 2023 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 2023 Bond during any accrual period generally equals (1) the issue price of that Series 2023 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2023 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 2023 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 2023 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 2023 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2023 Bond is the sum of all payments on the Series 2023 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 2023 Bond is generally the first price at which a substantial amount of the Series 2023 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 2023 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2023 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 2023 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 2023 Bonds. Upon the sale, exchange, or retirement (including redemption) of a Series 2023 Bond, an owner of the Series 2023 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 2023 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2023 Bond. To the extent a Series 2023 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 2023 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 2023 Bonds, and to the proceeds paid on the sale of the Series 2023 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 2023 Bonds should be aware that ownership of the Series 2023 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 2023 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2023 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 2023 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that for tax years beginning after December 31, 2022, the interest on the Series 2023 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.

ADDITIONAL INFORMATION

The foregoing and subsequent summaries or descriptions of provisions of the Series 2023 Bonds, the Indenture, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof, and reference is made to such documents for full and complete statements of their respective provisions. The appendices attached hereto are an integral part of this Official Statement, and should be used in conjunction with the foregoing material.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriter and the purchasers or owners of any of the Series 2023 Bonds.

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

The execution and delivery of this Official Statement have been duly authorized by the City.

VINEYARD CITY, UTAH

APPENDIX A

**BASIC FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

APPENDIX B
FORM OF THE GENERAL INDENTURE

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

The tables in this appendix contain information with respect to Vineyard City and Utah County (the “County”).

THE CITY

City, County and State Population

<u>Year</u>	<u>The City</u>	<u>% Change From Prior Period</u>	<u>The County</u>	<u>% Change From Prior Period</u>	<u>The State</u>	<u>% Change From Prior Period</u>
2021 Estimate	14,025	11.8%	684,986	3.9%	3,337,975	2.0%
2020 Census	12,543	5.7	659,399	3.6	3,271,616	2.0
2019 Estimate	11,866	18.5	636,235	2.4	3,205,958	1.7
2018 Estimate	10,014	62.4	621,520	2.4	3,153,550	1.7
2017 Estimate	6,167	49.0	606,742	2.8	3,101,042	1.9
2016 Estimate	4,139	24.0	590,288	3.1	3,041,868	2.0
2015 Estimate	3,339	413.7	572,667	2.1	2,981,835	1.5
2014 Estimate	650	50.8	560,649	1.7	2,936,879	1.4
2013 Estimate	431	112.3	551,273	2.1	2,897,640	1.6
2012 Estimate	203	36.2	539,685	1.7	2,853,375	1.4
2011 Estimate	149	7.2	530,688	2.7	2,814,384	1.8

(Source: U.S. Census Bureau; estimates are as of July 1 of the year given; census is as of April 1 of the year given.)

UTAH COUNTY

The following demographic information is provided solely as background information regarding the County, the general area where the City is located.

Rate of Unemployment – Annual Average

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2021	2.3%	2.7%	5.3%
2020	3.8	4.7	8.1
2019	2.4	2.6	3.7
2018	2.7	2.9	3.9
2017	2.9	3.3	4.4

(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)

Economic Indicators in the County

LABOR FORCE ⁽¹⁾	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Labor Force (annual average)	332,018	316,642	309,866	301,683	290,640
Employed (annual average)	324,289	304,605	302,523	293,624	282,093
Unemployed (annual average)	7,729	12,037	7,343	8,059	8,547
Average Employment (Non-Farm Jobs)	277,942	258,868	258,182	251,486	238,442
% Change Prior Year	7.37	0.27	2.66	5.47	4.29
<i>Average Employment by Sector:</i>					
Agriculture, Forestry, Fishing & Hunting	980	912	921	890	859
Mining	256	170	151	133	100
Utilities	659	643	637	632	651
Construction	27,015	25,926	25,063	24,712	22,868
Manufacturing	21,045	19,427	19,679	19,134	18,313
Wholesale Trade	7,838	7,181	7,122	7,152	6,748
Retail Trade	35,991	33,147	33,168	32,965	31,793
Transportation & Warehousing	6,530	5,609	5,199	5,037	4,804
Information	5,630	5,206	5,511	5,780	5,564
Finance & Insurance	9,373	7,491	6,096	5,815	5,419
Real Estate and Rental & Leasing	3,498	3,218	3,165	3,006	2,819
Professional, Scientific & Technical Services	23,541	22,239	21,946	21,441	18,563
Management of Companies & Enterprises	1,919	1,855	1,715	1,559	1,373
Administrative, Support, Waste Management, & Remediation	17,947	16,018	15,639	15,214	14,027
Education Services	43,693	42,988	44,007	43,337	43,098
Health Care & Social Assistance	34,537	32,616	32,005	30,499	28,676
Arts, Entertainment, & Recreation	5,309	4,644	5,274	4,834	4,643
Accommodation & Food Services	20,354	18,438	19,752	18,643	17,394
Other Services & Unclassified Establishments	6,348	5,743	5,823	5,525	5,446
Public Administration	6,460	6,312	6,231	6,069	6,142
Total Establishments	19,374	18,237	17,410	16,451	15,475
Total Wages (\$Millions)	14,126.1	12,665.5	11,448	10,665.4	9,563.6
INCOME AND WAGES	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Personal Income (\$000) ⁽²⁾	34,702,132	31,321,836	28,497,337	25,314,025	23,394,153
Median Household Income ⁽¹⁾	n/a	n/a	79,505	75,296	70,461
Per Capita Income ⁽²⁾	50,661	47,232	44,079	40,085	37,996
Average Monthly Nonfarm Wage ⁽¹⁾	4,235	4,077	3,695	3,534	3,342
SALES & CONSTRUCTION	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Gross Taxable Sales (\$000,000) ⁽³⁾	15,630.7	12,811.2	11,242.7	10,164.4	9,565.8
New Dwelling Units ⁽⁴⁾	12,430	8,436	7,314	6,709	6,836
Total Construction Value (\$000) ⁽⁴⁾	4,056,859.5	3,192,226.5	2,618,932.1	2,351,324.7	2,334,779.6
New Residential Value (\$000) ⁽⁴⁾	2,890,112.7	2,056,615.4	1,781,204.9	1,633,741.0	1,508,031.5
New Nonresidential Value (\$000) ⁽⁴⁾	833,194.9	855,962.9	582,391.5	521,700.4	622,025.9

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated November 2022; (3) Utah State Tax Commission; (4) University of Utah Ivory-Boyer Construction Database.)

Major Employers in the County

The following is a list of some of the largest employers in the County.

<u>Company</u>	<u>Industry</u>	<u>Employment Range</u>
Brigham Young University	Higher Education	15,000-19,999
Utah Valley Regional Medical Center	Health Care	7,000-9,999
Alpine School District	Public Education	7,000-9,999
Utah Valley University	Higher Education	4,000-4,999
Wal-Mart	Warehouse Clubs and Supercenters	4,000-4,999
Nebo School District	Public Education	3,000-3,999
Vivint	Building Equipment Contractors	2,000-2,999
Doterra International	Essential Oils Distribution	2,000-2,999
State of Utah	State Government	2,000-2,999
Innovative Flexpak	Packaging and Labeling Services	2,000-2,999
Young Living Essential Oils	Essential Oils Distribution	2,000-2,999
Barrett Business Services	Telemarketing Bureaus	1,000-1,999
Provo City School District	Public Education	1,000-1,999
Adobe Systems	Software Publishers	1,000-1,999
Central Utah Medical Clinic	Health Care	1,000-1,999
Utah Valley University	Higher Education	1,000-1,999
Sunrun	Building Equipment Contractors	1,000-1,999
Built Brands	Manufacturing	1,000-1,999
Burningham Trucking	Specialized Freight and Local Trucking	1,000-1,999
Chrysalis	Individual Family Services	1,000-1,999
Qualtrics	Technical Services	1,000-1,999
Provo City	Local Government	1,000-1,999
Utah County	Local Government	1,000-1,999
Core Innovative Solutions	Computer Programming Services	1,000-1,999
Vivint Solar Developer	Building Equipment Contractors	1,000-1,999
Nestle Prepared Foods	Food Manufacturing	1,000-1,999
Costco	Warehouse Clubs and Supercenters	1,000-1,999
Hadco Construction	Construction	1,000-1,999
Wasatch Mental Health Services	Health Care	1,000-1,999
Vision Solar	Building Equipment Contractors	1,000-1,999
Smith's Food and Drug	Grocery Stores	1,000-1,999
Entrata	Information Services	1,000-1,999
GoHealth	Insurance Agencies and Brokerages	1,000-1,999
Micron Technology	Information Services	500-999
Texas Instruments	Manufacturing	500-999
Lehi City	Local Government	500-999
City Of Orem	Local Government	500-999
RBD Acquisition	Services to Buildings and Dwellings	500-999
Bamboo	Computer Programming Services	500-999
Alpine Building	Construction	500-999
Alliance Resource Services One	Computer Programming Services	500-999
ROI Solutions	Call Centers	500-999
Weave Communications	Business Support Services	500-999
Ancestry.com	Information Services	500-999
Podium	Software Publishers	500-999
Kyco Services	Building Equipment Contractors	500-999
Rocky Mountain ATV	Motor Vehicle Dealers	500-999
U.S. Postal Service	Postal Service	500-999
Associated Retail Operations	Grocery Stores	500-999
Home Depot	Home Centers	500-999

(Source: Utah Department of Workforce Services; last updated November 2022.)

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by Vineyard City, Utah (the “City”) in connection with the issuance of the City’s Water and Sewer Revenue Bonds, Series 2023 (the “Bonds”). The Bonds are being issued pursuant to a General Indenture of Trust dated as of May 1, 2023, as supplemented by a First Supplement to Indenture of Trust dated as of May 1, 2023 (together, the “Indenture”), by and between the City and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”).

The City hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined Rule and the only “obligated person” with respect to the 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 holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as each such term is defined below).

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

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

“Dissemination Agent” shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

“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 currently 1300 I Street, NW, Suite 1000, Washington D.C. 20005; Telephone (202) 838-1500; the current website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

“Official Statement” shall mean the Official Statement of the Issuer dated _____, 2023, relating to the Bonds.

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

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

“State” shall mean the State of Utah.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days following the end of each fiscal year of the City, commencing with the fiscal year ending June 30, 2023, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking.

Not later than five (5) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report of the City may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(e).

(b) If by five (5) business days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that the Annual Report 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 electronic format.

(d) The Dissemination Agent shall:

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

(ii) file reports with the City 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 City's Annual Report shall contain or incorporate by reference the following:

(a) A copy of the annual financial statements of the City, prepared in accordance with generally accepted accounting principles audited by 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 and audited financial statements will be provided when and if available.

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

[For discussion]

["HISTORICAL AND PROJECTED REVENUES AND DEBT SERVICE COVERAGE OF THE SYSTEM" (as the same becomes historically available);

"DEBT STRUCTURE OF THE CITY—Outstanding Obligations of the City"]

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an "obligated person" (as defined by the Rule) which have been made available to the public at the MSRB's internet website or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such document incorporated by 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 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 Bonds or other material events affecting the tax status of the 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 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 City 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 Bonds;
- (v) Bond calls;
- (vi) Release, substitution or sale of property securing repayment of the 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 City, 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 earlier of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the City shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds. If such termination occurs prior to the final maturity of the 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 the City in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the City.

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, without the consent of the holders or beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

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 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 Trustee to comply with any provision of this Disclosure Undertaking, any holder or beneficial owner of the 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 the Trustee, 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 shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as 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 negligence, 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 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriter, the holders and beneficial owners from time to time of the 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: _____, 2023.

VINEYARD CITY, UTAH

By: _____
Mayor

By: _____
City Recorder

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2023 Bonds, Gilmore & Bell, P.C., Bond Counsel to the City, proposes to issue its approving opinion in substantially the following form:

We have acted as bond counsel for Vineyard City, Utah (the “City”), in connection with the issuance by the City of its \$_____ Water and Sewer Revenue Bonds, Series 2023 (the “Series 2023 Bonds”). The Series 2023 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 adopted by the City Council of the City on February 22, 2023, which provides for the issuance of the Series 2023 Bonds; and (iii) a General Indenture of Trust dated as of May 1, 2023 (the “General Indenture”), as supplemented by a First Supplemental Indenture of Trust dated as of May 1, 2023 (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the City and U.S. Bank Trust Company, National Association, as trustee.

The Series 2023 Bonds are being issued to (i) finance all or a portion of the costs of constructing a water tank, pipelines and various improvements to the City’s water and sewer system, and all related improvements; (ii) [fund a deposit to a debt service reserve fund]; and (iii) pay costs associated with the issuance of the Series 2023 Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

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

1. The Indenture has been authorized, executed and delivered by the City, constitutes a valid and binding obligation of the City and creates a valid lien on the Net Revenues (as defined in the Indenture) and the other amounts pledged thereunder for the security of the Series 2023 Bonds.

2. The Series 2023 Bonds are valid and binding special obligations of the City payable solely from the Net Revenues and other amounts pledged therefor in the Indenture, and the Series 2023 Bonds do not constitute a general obligation indebtedness of the Issuer within the meaning of any State of Utah constitutional provision or statutory limitation, nor a charge against the full faith and credit or taxing power of the City.

3. The interest on the Series 2023 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 computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2023 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2023 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2023 Bonds.

4. The interest on the Series 2023 Bonds is exempt from State of Utah individual income taxes.

We express no opinion herein regarding the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Series 2023 Bonds.

The rights of the holders of the Series 2023 Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,

APPENDIX F

PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing corporation" 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 Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 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 2023 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 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 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 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain

that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 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 2023 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 2023 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 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

Community Development

Date: Wednesday, February 22, 2023
From: Briam Amaya Perez, Senior Planner; and Emily Kofoed, EIT, Staff Engineer I
To: City Council
Item: 9.4 Business Item: ORD. 2023-09; Water Use and Preservation Element of the General Plan
Applicant: City Initiated
Background The Planning Commission recommended approval of ORD. 2023-09 on February 15, 2023, during a public hearing.

SUMMARY

Utah consistently ranks in the top five driest states in the nation year to year, with this past being one of the worst droughts on record. Utah is also one of the highest water users per capita, and water demand is expected to increase substantially as projections for Utah County alone predict a population of one million by 2040. Figure 1 below shows Utah's drought conditions in the last 13 years, with D0 representing abnormally dry conditions to D4 representing exceptional drought conditions.

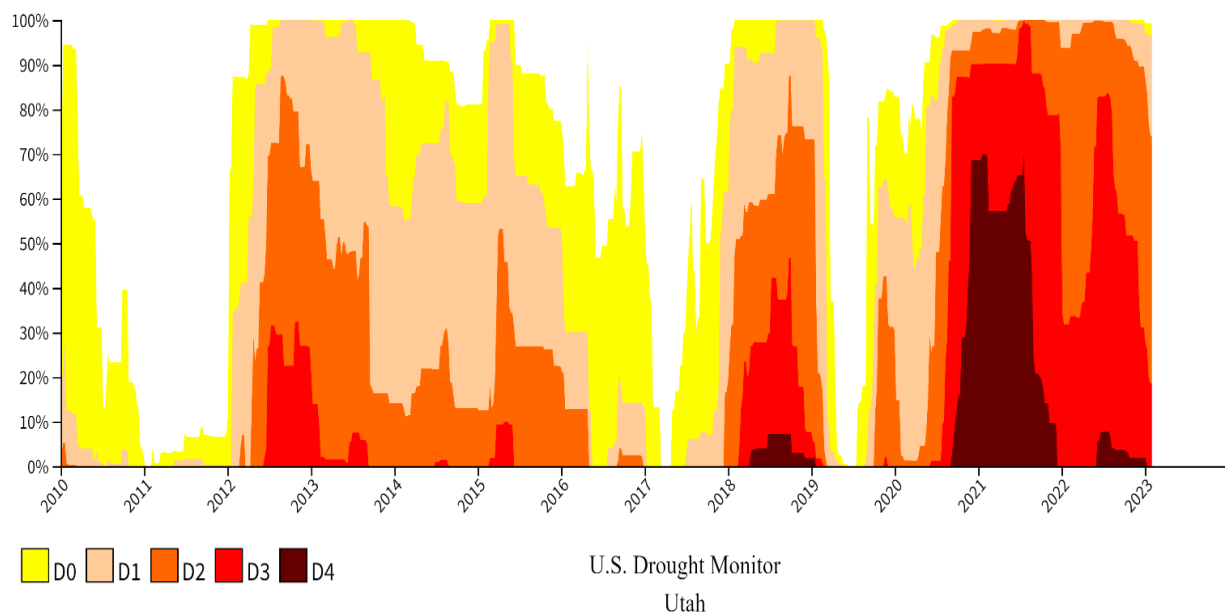


Figure 1: Drought in Utah from 2010-Present (source: www.drought.gov/states/utah)

Vineyard City provides potable water distribution and wastewater collection services to approximately 23,000 residents in a 6-square-mile area. On the completion of the downtown area, Vineyard's population is expected to grow by an additional 72,000 people. Water demand will increase along with this population growth. Creating a culture of water conservation is imperative and steps need to be taken now to sustain life in our beautiful city.

Discussion

Utah State Legislature's Senate Bill 110 came into effect on May 4th, 2022, which modifies provisions related to general plans to address water. This bill requires a water use and preservation element to be a part of municipal general plans. The steps to develop this element and how to integrate it into the general plan are also outlined in this bill.

Vineyard's Water Conservation Team Members: Briam Perez (Senior Planner), Sullivan Love (Water Conservation Coordinator), Karl Patten (Environmental Utilities Supervisor), George Schramm (City Arborist), and Emily Kofoed (Staff Engineer I) worked together to write a Water Use and Preservation Element to be added to the General Plan. This element follows SB110's outline by focusing on four main goals and assigning 4 to 5 strategies to achieve each goal. The four main goals are:

- 1. Goal 1: Reduce water demand and per capita consumption for existing development.**
- 2. Goal 2: Reduce water demand and per capita consumption for future development.**
- 3. Goal 3: Improve the effect of permitted development or patterns of development on water demand and water infrastructure.**
- 4. Goal 4: Modify the Municipality's Operations to Eliminate Practices or Conditions that Waste Water**

The city will continue to amend this element and add to these goals and strategies as necessary.

STAFF RECOMMENDATION

City Staff recommend approval of the Water Use and Preservation Elements as written.

PLANNING COMMISSION RECOMMENDATION

The Planning Commission recommended approval of ORD. 2023-09 on February 15, 2023, during a public hearing.

PROPOSED MOTION

"I move to adopt Ordinance 2023-09 as presented by staff."

ATTACHMENTS

Ordinance 2023-09.

**VINEYARD
ORDINANCE 2023-09**

ORDINANCE 2023-09

AN ORDINANCE OF THE CITY OF VINEYARD, UTAH, UPDATING THE CITY'S GENERAL PLAN TO INCLUDE A NEW ELEMENT (OR CHAPTER) TITLED, "WATER USE AND PRESERVATION". THIS NEW ELEMENT (NOW ELEMENT 11 OF THE GENERAL PLAN) IS A REQUIREMENT FROM SENATE BILL 0110, WHICH MODIFIES PROVISIONS RELATED TO GENERAL PLANS TO ADDRESS WATER. THE BILL REQUIRES A WATER USE AND PRESERVATION ELEMENT TO BE A PART OF A MUNICIPAL OR COUNTY GENERAL PLAN ON OR BEFORE DECEMBER 31, 2025. THIS ORDINANCE ADDRESSES THE REQUIREMENTS OF THAT BILL; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION BY SUMMARY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in compliance with the Utah State Municipal Land Use, Development, and Management Act (LUDMA), the City established a Water Use and Preservation Element in the General Plan; and

WHEREAS, the Water Use and Preservation Element provides the city strategies for reductions in water usage and preservation; and

WHEREAS, the Planning Commission held a public hearing on February 15, 2023, and after fully considering public comment and staff recommendation, recommended approval to the City Council, and

WHEREAS, the City Council reviewed the Water Use and Preservation Element of the General Plan and held a public hearing on February 22, 2023, and after fully considering public comment, staff and Planning Commission's recommendations, evidence, and testimony presented by the City, staff, and other interested parties.

NOW THEREFORE, be it ordained by the Council of the Vineyard, in the State of Utah, as follows:

SECTION 1: **ADOPTION** “11 Water Use And Preservation” of the Vineyard General Plan is hereby *added* as follows:

ADOPTION

11 Water Use And Preservation(*Added*)

[See 12.18 for Goals and Strategies regarding Water Use and Preservation.](#)

SECTION 2: **ADOPTION** “Goals And Strategies” of the Vineyard General Plan is hereby *added* as follows:

ADOPTION

Goals And Strategies(*Added*)

SECTION 3: **ADOPTION** “12.18 Water Use And Preservation” of the Vineyard General Plan is hereby *added* as follows:

ADOPTION

12.18 Water Use And Preservation(*Added*)

SECTION 4: **ADOPTION** “12.18.010 Goal 1” of the Vineyard General Plan is hereby *added* as follows:

ADOPTION

12.18.010 Goal 1(*Added*)

1. **Implement methods for reducing water demand and per capita consumption for existing development.**
 - a. Strategy 1: Replace non-programmable turf with water-wise landscaping based on elements from Locascapes.
 - b. Strategy 2: Monitor water meter data to detect residential and commercial water leakages and excessive water use.
 - c. Strategy 3: Create a program where residents can ear rebates through the "Flip Your Strip" Program.
 - d. Strategy 4: Continue to use social media and other online platforms to promote water conservation.

SECTION 5: **ADOPTION** “12.18.020 Goal 2” of the Vineyard General Plan is hereby *added* as follows:

ADOPTION

12.18.020 Goal 2(*Added*)

1. Implement methods for reducing water demand and per capita consumption for future development.

- a. Strategy 1: Install local weather stations and moisture sensors in city-owned properties to allow smart controllers to water by sensing evapotranspiration. The city shall consider a method of incentivizing private property owners to adopt similar mechanisms.
- b. Strategy 2: For future Downtown development, offer water credits to developers who are willing to implement more than required water-wise landscaping and/or install water-saving devices.
- c. Strategy 3: Create a Secondary Water Master Plan. Secondary water is used for irrigation and is less expensive than potable water.
- d. Strategy 4: Implement a tiered-rate billing structure that incentivized using less water.
- e. Strategy 5: Adopt a landscaping ordinance requiring water-wise landscaping and water on all new construction.

SECTION 6: **ADOPTION** “12.18.030 Goal 3” of the Vineyard General Plan is hereby *added* as follows:

ADOPTION

12.18.030 Goal 3(*Added*)

1. Improve the effect of permitted development or patterns of development on water demand and water infrastructure.

- a. Strategy 1: Focus on Smart Growth and water-sensitive urban and building design.
- b. Strategy 2: Incorporate Blue/Green Infrastructure (BGI) solutions and Low Impact Development (LID).
- c. Strategy 3: Reduce hardscape and impervious surfaces throughout the city.
- d. Strategy 4: Preserve open space, natural beauty, and critical environmental areas.

SECTION 7: **ADOPTION** “12.18.040 Goal 4” of the Vineyard General Plan is hereby *added* as follows:

ADOPTION

12.18.040 Goal 4(*Added*)

1. Modify the municipality's operation to eliminate practices or conditions that waste water.

- a. Strategy 1: Identify and retrofit areas within public property that can be converted to low-water usage in the near or immediate future.
- b. Strategy 2: Implement a water audit program that sends a certified employee to a residents home to survey their water usage and implement a plan to conserve water.
- c. Strategy 3: Provide regular water conservation training for city staff that are involved with water infrastructure repair and monitoring and water services.
- d. Strategy 4: City staff shall repair water leaks within 24 hours of detection.
- e. Strategy 5: Upgrade and maintain the existing water infrastructure network, rather than invest in expanding water systems to dispersed development.

SECTION 8: REPEALER CLAUSE All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

SECTION 9: SEVERABILITY CLAUSE Should any part or provision of this Ordinance be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the Ordinances a whole or any part thereof other than the part so declared to be unconstitutional or invalid.

SECTION 10: EFFECTIVE DATE This Ordinance shall be in full force and effect from _____ and after the required approval and publication according to law.

PASSED AND ADOPTED BY THE VINEYARD COUNCIL

_____.

	AYE	NAY	ABSENT	ABSTAIN
Mayor Julie Fullmer	_____	_____	_____	_____
Tyce Flake	_____	_____	_____	_____
Amber Rasmussen	_____	_____	_____	_____
Mardi Sifuentes	_____	_____	_____	_____
Cristy Welsh	_____	_____	_____	_____

Presiding Officer

Attest

Julie Fullmer, Mayor, Vineyard

Pamela Spencer, City Recorder,
Vineyard

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: 02-22-2023

Agenda Item: 9.5 - Adoption of Water Conservation Plan

Department: Public Works Departments

Presenter: Emily Kofoed, EIT (Staff Engineer)

Background:

Utah consistently ranks in the top five driest states in the nation year to year, with this past being one of the worst droughts on record. Utah is also one of the highest water users per capita, and water demand is expected to increase substantially as projections for Utah County alone predict a population of one million by 2040. Figure 1 below shows Utah's drought conditions in the last 13 years, with D0 representing abnormally dry conditions to D4 representing exceptional drought conditions.

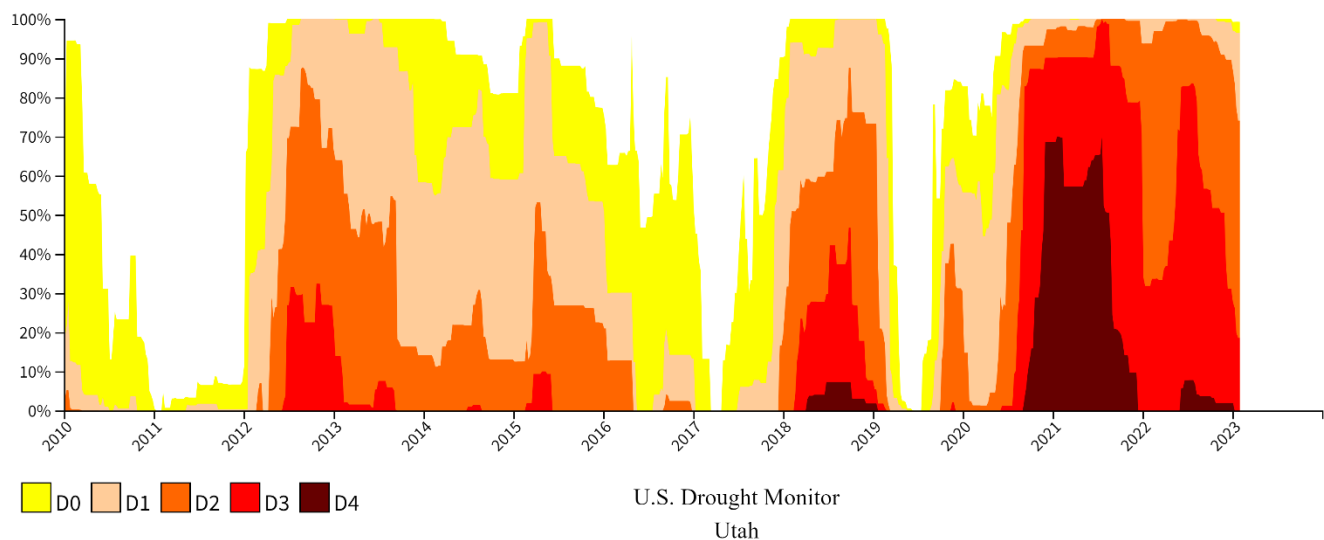


Figure 1: Drought in Utah from 2010-Present (source: www.drought.gov/states/utah)

Vineyard provides culinary water distribution and wastewater collection services to approximately 23,000 residents in a 6-square-mile area. On the completion of the downtown area, Vineyard's population is expected to grow by an additional 60,800 people. Water demand will increase along with this population growth. Creating a culture of water conservation is imperative and steps need to be taken now to sustain life in our beautiful city.



VINEYARD CITY COUNCIL STAFF REPORT

Discussion:

In January 2023, City staff sent a letter to the Central Utah Water Conservancy District (CUWCD) requesting 3,504 acre-feet of water over the next five years. To qualify for this water, CUWCD has requested the following from the City:

- 1) Prepare and implement a water use and preservation element into the general plan according to the guidelines in Senate Bill 110.
- 2) Prepare and implement water and sewer master plans.
- 3) Prepare and implement a water conservation plan that has been adopted by the City and approved by the Utah Division of Water Resources.
- 4) Adopt water efficiency standards into the Landscaping Zoning Code.

To meet qualification (3) listed above, Vineyard City staff Sullivan Love (Environmental Utilities Manager & Water Conservation Coordinator), Karl Patten (Environmental Utilities Supervisor), and Emily Kofoed (Staff Engineer) have prepared a Water Conservation Plan that meets the requirements of the Utah Water Conservation Act (UC 73-10-32). The final draft of this plan was sent to Utah's Division of Water Resources on February 6th, 2023, received approval on February 14th, 2023, and is ready for adoption by City Council.

The Water Conservation Plan will be used as a tool to assist the City in addressing its current and future water needs. It includes a system profile, an inventory of water resources, water supply and usage, water utility billing, population projections, Vineyard's Water Conservation Team roster, and water conservation goals and plans.

Recommendation:

City Staff recommend adopting the Water Conservation Plan.

Sample Motion:

I move to adopt resolution 2023-12, the Water Conservation Plan as a part of Vineyard City's Water Efficiency Standards, as presented.

Attachments

Resolution 2023-12
Water Conservation Plan

RESOLUTION NO. 2023-12

**A RESOLUTION OF THE CITY COUNCIL OF VINEYARD, UTAH,
ADOPTING A WATER CONSERVATION PLAN**

WHEREAS, Utah consistently ranks in the top five driest states in the nation year to year, with this past being one of the worst droughts on record; and

WHEREAS, to meet the requirements of the Utah Water Conservation Act (UC 73-10-32) and to assist the City in addressing its current and future water needs; and

WHEREAS, the Vineyard City Council has determined that there is a need for water conservation in the city; and

WHEREAS, the Vineyard City Council desires to adopt a Water Conservation Plan as part of City's Water Efficiency Standards; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF VINEYARD UTAH, AS THE FOLLOWING:

Section 1. Adopt the Vineyard City's Water Conservations Plan as shown in Exhibit A.

Section 2. This Resolution shall take effect upon passing.

Section 3. All other resolutions, ordinances, and policies in conflict herewith, either in whole or in part, are hereby repealed.

PASSED and ADOPTED by the City Council of Vineyard, Utah this 22nd day of February 2023.

APPROVED:

Julie Fullmer, Mayor

ATTEST:

Pamela Spencer, City Recorder



VINEYARD

STAY CONNECTED

WATER CONSERVATION PLAN

JANUARY 2022

Sullivan Love, Water Conservation Coordinator

Karl Patten, Environmental Utilities Supervisor

Emily Kofoed, Staff Engineer I

• **INTRODUCTION**

Vineyard City has prepared this Water Management and Conservation Plan to meet the requirements of the Utah Water Conservation Act (UC 73-10-32) and to assist the City address its current and future water needs.

Vineyard City has designated the Water Division Manager as its Water Conservation Coordinator.

• **SYSTEM PROFILE**

The City of Vineyard is located in north-central Utah County on the eastern shore of Utah Lake. Vineyard began as an agricultural settlement when its first settlers arrived in 1855. In the 1940s, the Geneva Steel Mill was constructed on about 1,700 acres of land in Vineyard where it operated until the early 2000s. The future of the Geneva Steel Mill was plagued with multiple shutdowns and changes in ownership. The Mill was permanently closed in 2002, its assets liquidated, and the land sold for development in 2005.

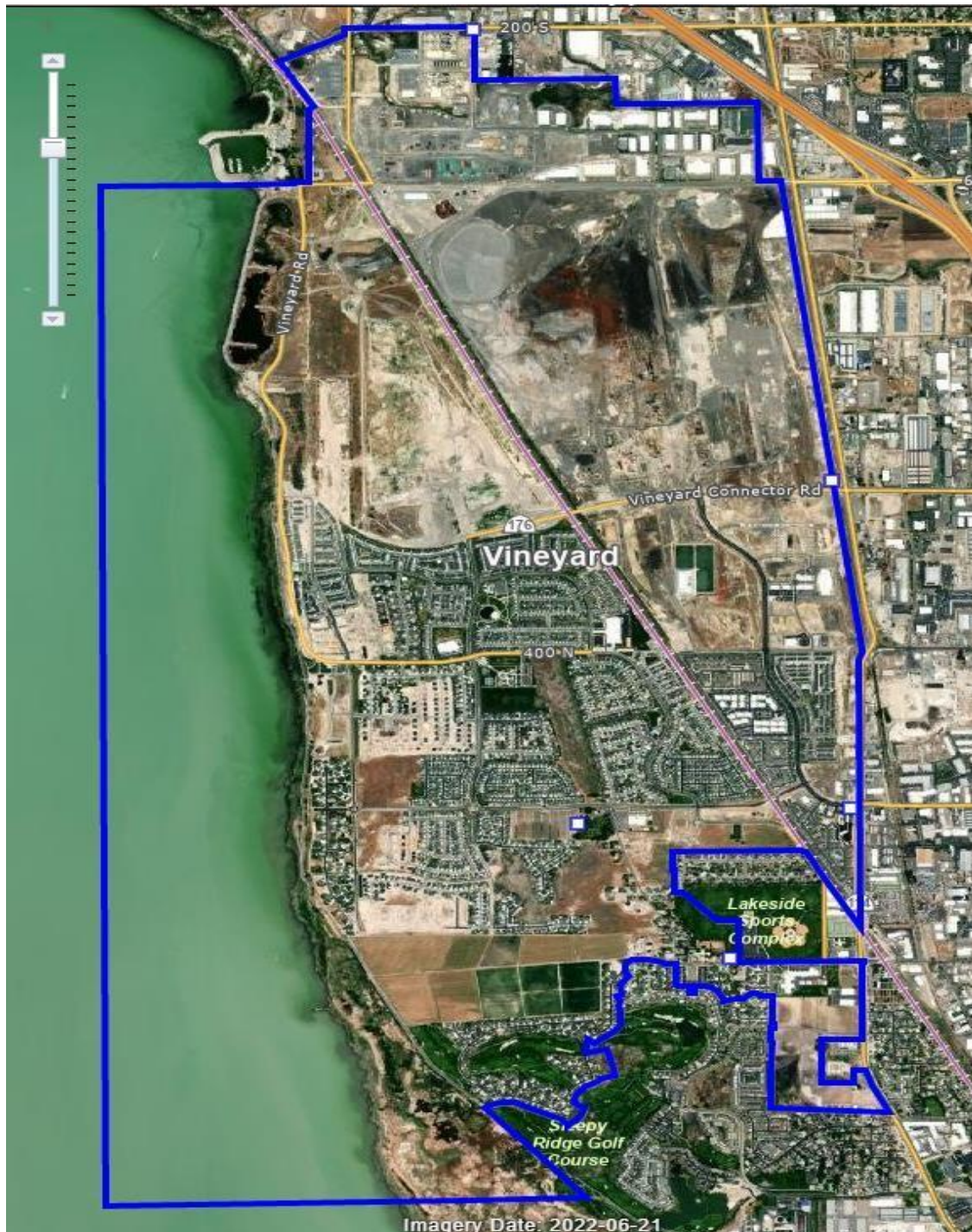
Vineyard has earned the distinction as one of the most rapidly growing cities in Utah, beginning with a population of 139 residents in 2010 and expanding to an estimated 14,000 by the year 2018 (Vineyard General Plan, 2019). Continued rapid growth is expected in Vineyard due to its welcoming atmosphere, proximity to the thriving Provo-Orem metropolitan area, excellent recreational opportunities, and a variety of appealing and affordable housing options.

Before gaining cityhood, Vineyard purchased 35-acre feet of water from Central Utah Water Conservancy District (CUWCD) for usage if the residents chose to develop their property or if a need for additional culinary water occurred. No water lines were installed at this time. Pressure to develop began in the early 2000s. The first water line was installed in 2006 along 400 South through Holdaway Rd and within a few short years, a State Approved water system was built to serve all residents. A small, pressurized irrigation system was also built and is maintained by the City. It provides non-potable water for two parks and the majority of Vineyard's streetscape.

Currently, Vineyard is building a 6-million-gallon storage reservoir with a booster station to provide for the immediate buildout needs of the city. Vineyard owns two shallow wells which provide irrigation water for Gammon Park and 11 acres currently leased for farming. Almost all connections to Vineyard's water system are metered using Badger meters with cellular endpoints that transmit daily usage information. The few radio meters will be changed to Badger meters by the end of 2023.

- **MAP OF SERVICE AREA**

<https://maps.waterrights.utah.gov/EsriMap/map.asp?layersToAdd=State&wuse=11295>



• INVENTORY OF WATER RESOURCES

Currently, Vineyard purchases culinary water from Orem City and Central Utah Water Conservancy District (CUWCD). 1,400 acre-feet per year come from Orem City and another 1,071 acre-feet per year from CUWCD. This contracted amount currently provides a 22% surplus of water for Vineyard. However, because of our anticipated growth, we are actively pursuing additional water from CUWCD to provide an adequate amount for our future buildout. At the completion of the storage reservoir and booster station, Vineyard will purchase 100% of its water from CUWCD. In addition to the contracted culinary water, the City owns the rights to use 431 acre-feet per year of well and ditch water for irrigation purposes. Vineyard City does not provide any secondary water to residents. Secondary/well water is used to irrigate 3 parks and a large percentage of the streetscape in Vineyard. The total source capacity for both culinary and secondary water is 3,461 GPM.

• CULINARY SOURCES

Source	Volume (AF)
CUP Project Water	35
Contracted Water from CWP (as of 2022)	1,036
Contracted Water from Orem City (as of 2022)	1,400
Total	2,471

• SECONDARY SOURCES

Source	Volume (AF)	Source Capacity (GPM)
Irrigation Well - Gammon	27.60	-
Irrigation Wells –Robins	42.52	125
Irrigation Water – Lake Bottom Irrigation Company	361	750
Total	431.12	875

- M & I WATER CONNECTIONS**

Year	Residential	Commercial	Industrial	Institutional	Total	ERC Value
2021	2735	75	6	46	2862	3179.42
2020	2409	65	6	47	2527	3018.58
2019	2090	62	5	40	2197	2780.50
2018	1781	55	3	31	1870	2794.00
2017	1288	43	4	16	1351	1771.00
2016	720	39	4	12	77	1079.00

- WATER MEASUREMENT**

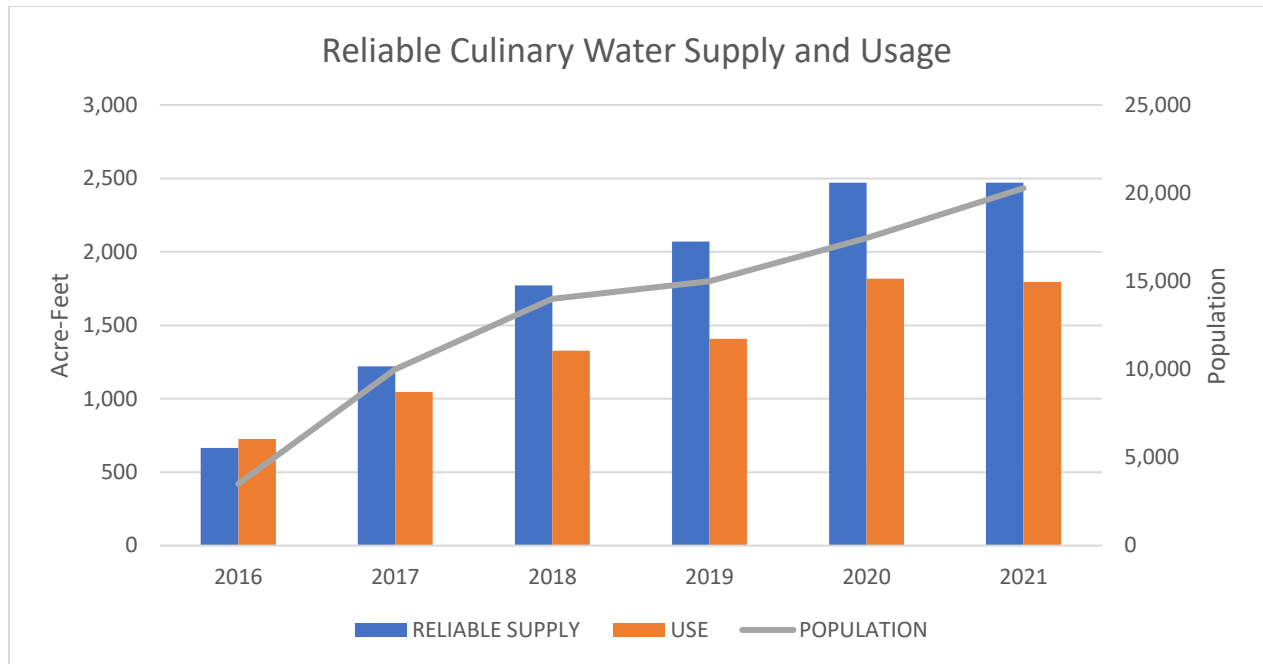
Vineyard City meters all water system connections. Vineyard utilizes Badger meters with a cellular endpoint which provides daily usage data. 315 meters still read via radio. The City has ordered the necessary endpoints and other parts needed to replace these radio read meters and plans to do so within the next 6 months.

Vineyard monitors all water usage regularly and repairs leaks as soon as detected. The City has six (6) remote pressure recorders and one (1) meter installed with pressure monitoring.

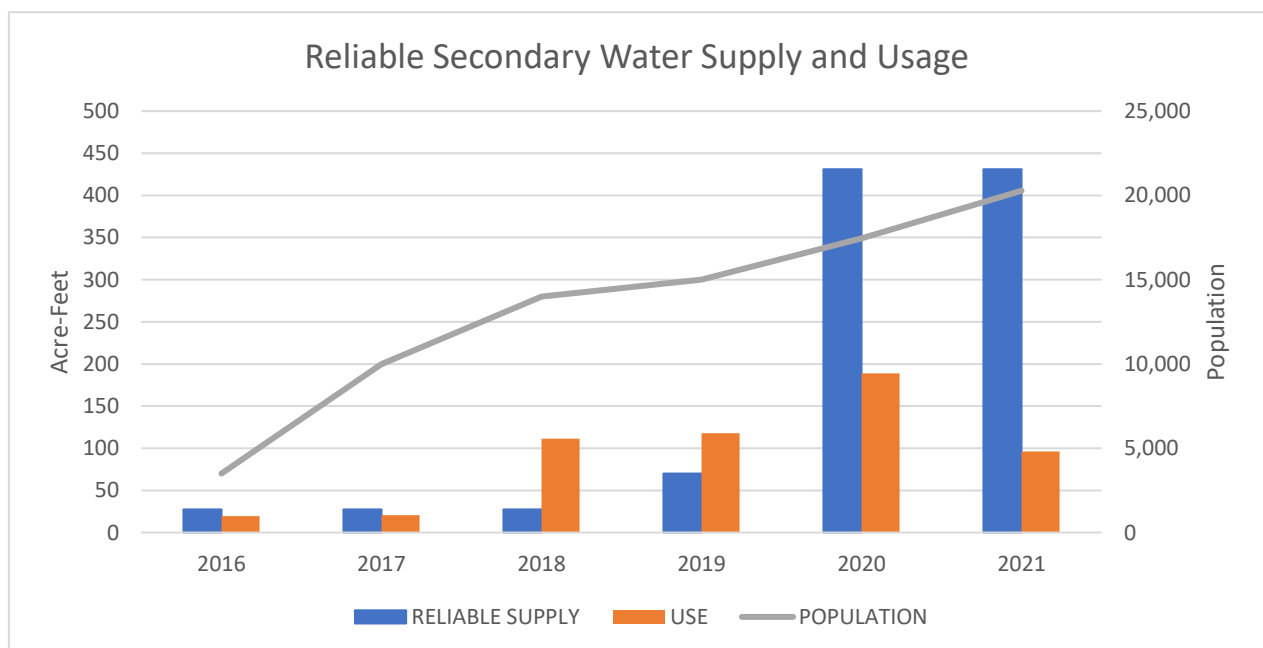
- WATER SUPPLY AND USAGE**

Year	Culinary Water Supply (AF)	Use (AF)	Population
2016	665	725.56	3,500
2017	1,221	1,046.09	10,000
2018	1,771	1,327.14	14,000
2019	2,071	1,406.99	15,000
2020	2,471	1,816.79	17,442
2021	2,471	1,795.01	20,274

2021 WATER CONSERVATION REPORT FOR VINEYARD CITY



Year	Secondary Supply (AF)	Use (AF)	Population
2016	27.6	19.5	3,500
2017	27.6	20.47	10,000
2018	27.6	111.27	14,000
2019	70.12	117.83	15,000
2020	431.12	188.62	17,442
2021	431.12	96.29	20,274

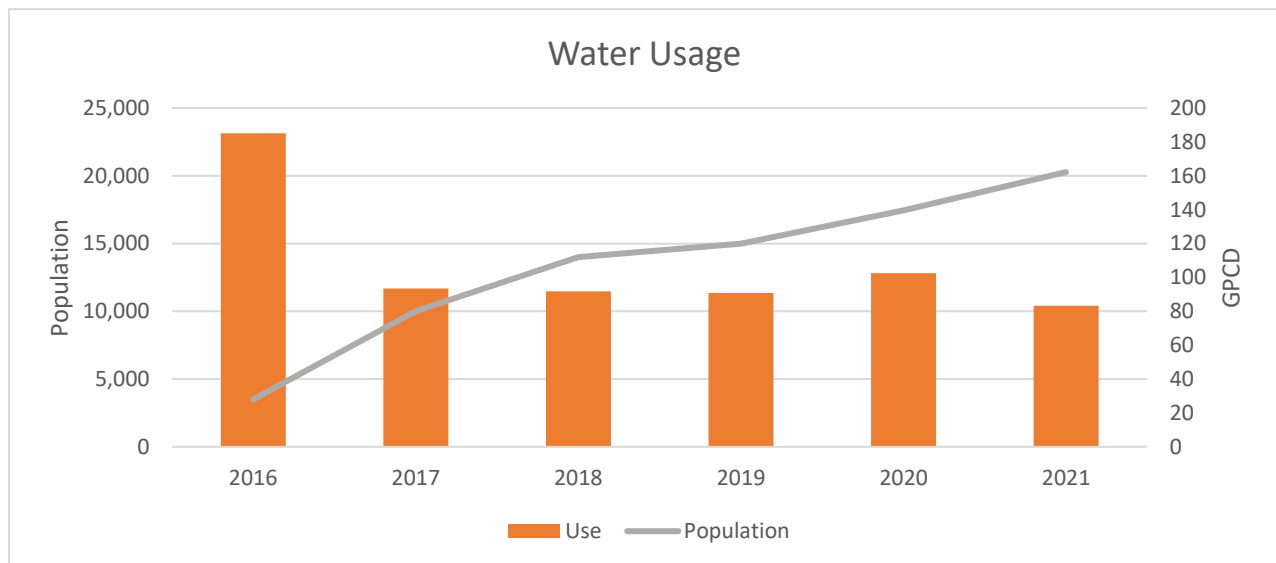


2021 WATER CONSERVATION REPORT FOR VINEYARD CITY

• WATER USAGE

Due to the large volume of new construction, Vineyard benefits from low-flow plumbing fixtures throughout the city. This allows Vineyard to boast of one of the lowest per capita per day water uses.

Calculator: Water use in Gallons per Capita per Day										
Enter data in blue and green cells in the table below.										
							325851.43	365		
							Sum residential, commercial, industrial, institutional, secondary use	Multiply acre-feet by 325851.43 to change to gallons	Divide by 365 to change from year to day	Divide use in gallons per and day by population
Data reported to Utah Division of Water Rights on the annual Water Use Form http://waterrights.utah.gov/wateruse/WaterUseList.asp										
Year	Population	Residential Use (acre-feet/year)	Commercial Use (acre-feet/year)	Industrial Use (acre-feet/year)	Institutional Use (acre-feet/year)	Use (not reported to Water Rights)	Total Use (acre-feet/year)	Convert from acre-feet to Gallons	Convert from Year to Day	Calculate gpcd
2021	20,274	1,544.11	111.88	5.40	133.63	96.29	1,891.31	616,286,068	1,688,454.98	83.28
2020	17,442	1,449.90	108.81	28.07	230.01	188.62	2,005.41	653,465,716	1,790,317.03	102.64
2019	15,000	1,057.58	92.50	12.51	244.40	117.83	1,524.82	496,864,777	1,361,273.36	90.75
2018	14,000	1,027.08	57.22	3.27	239.57	111.27	1,438.41	468,707,955	1,284,131.38	91.72
2017	10,000	941.20	44.70	1.93	58.26		1,046.09	340,869,922	933,890.20	93.39
2016	3,500	629.54	46.08	2.86	47.08		725.56	236,424,764	647,739.08	185.07
2013							0.00	0	0.00	0.00
2012							0.00	0	0.00	0.00
2011							0.00	0	0.00	0.00
2010							0.00	0	0.00	0.00
2005							0.00	0	0.00	0.00
2000							0.00	0	0.00	0.00



Year	Total Retail Use (AF)	Total from Sources (AF)	Total Wholesale Sources (AF)	Estimated Water Loss (%)
2021	1795.01	1952.75	94.36	3.25
2020	1816.79	2155.41	159.18	8.33
2019	1406.99	1487.5	19.69	4.09
2018	1327.14	1368.18	-	3.00
2017	1046.09	1091.79	-	4.19
2016	725.56	821.48	-	11.68

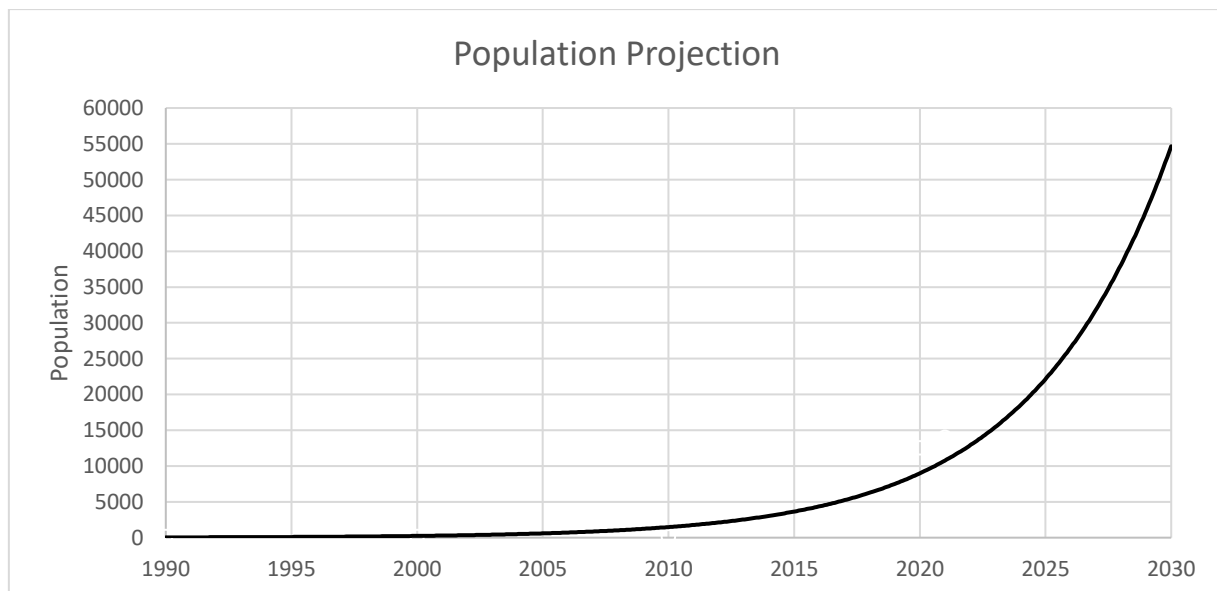
• BILLING

Vineyard implemented a tiered billing rate structure in 2018. After two years, City Council approved a new rate structure for the fiscal year 2020 – 2021. The table below shows this structure.

UTILITY FEES	
Water Base Rate ¾" Meter	\$27.09 first 5,000 gallons
Water Base Rate 1" Meter	\$37.93 first 5,000 gallons
Water Base Rate 1 ½" Meter	\$48.76 first 5,000 gallons
Water Base Rate 2" Meter	\$78.56 first 5,000 gallons
Water Base Rate 3" Meter	\$297.99 first 5,000 gallons
Water Base Rate 4" Meter	\$386.48 first 5,000 gallons
Water Base Rate 6" Meter	\$568.89 first 5,000 gallons
Water Base Rate 8" Meter	\$758.52 first 5,000 gallons
Residential Water Usage Rates:	
Tier 1 (5,001 – 15,000)	\$1.77 per 1,000 gallons
Tier 2 (15,001 – 30,000+)	\$2.03 per 1,000 gallons
Tier 3 (30,001 – 50,000)	\$2.50 per 1,000 gallons
Tier 4 (50,001+)	\$2.75 per 1,000 gallons
Commercial Water Usage Rates:	
Tier 1 (5,001 – 30,000)	\$1.77 per 1,000 gallons
Tier 2 (30,001 – 100,000)	\$2.50 per 1,000 gallons
Tier 3 (100,001+)	\$2.75 per 1,000 gallons

• POPULATION PROJECTION

From Vineyard Planning Department and U.S. Census Bureau:



- **VINEYARD WATER CONSERVATION TEAM MEMBERS**

Mayor – Julie Fullmer – mayor@vineyardutah.org

Vineyard City Council – Amber Rasmussen – amber@vineyardutah.org

Water Conservation Coordinator – Sullivan Love – sullivanl@vineyardutah.org

Vineyard Public Works Director – Naseem Ghandour – nassemg@vineyardutah.org

Vineyard Planning – Briam Perez – briamp@vineyardutah.org

Vineyard Parks & Recreation – Brian Vawdrey – brianv@vineyardutah.org

Vineyard Environmental Utilities – Karl Patten – karlp@vineyardutah.org

Vineyard Engineering – Emily Kofoed – emilyk@vineyardutah.org

Vineyard Arborist – George Schramm – georges@vineyardutah.org

- **WATER CONVERSATION GOALS AND METHODS FOR SUCCESS**

Due to the large volume of recent construction in Vineyard, low flush toilets, low flow showerheads, and smart irrigation controllers have been installed. It will be difficult for Vineyard to have a reduction in water usage in the same percentages proposed by the State. Vineyard has set a goal to reduce overall water consumption by five percent (5%) over the next five years and the City will actively work to lessen our overall water use with the following goals:

Goal #1 – Replace non-programmable turf with water-wise landscape, based on design elements from Localscapes™.

Working with Parks & Recreation and Public Works Departments, all non-programmable turf will be replaced with a water-wise landscape by 2027. A specific timeline and funding plan will be utilized to determine a five-year plan of action. Progress will be tracked by comparing water meter readings for these areas before and after removing turf.

Goal #2 – Monitor meter data to detect residential leaks and excessive water use.

Residents with excessive water use will be contacted and educated about their individual use every year for the next five (5) years. They will be encouraged to sign up for the city-offered water monitoring app, “Eye on Water”. This will allow residents to create leak alerts and self-monitor water usage. Every week, an Environmental Utilities team member will spend two (2) hours identifying and contacting residential consumers regarding water leaks and will provide education. Progress will be tracked by comparing water meter readings before and after educational efforts.

Goal #3 – Install local weather station and moisture sensors in city-owned properties to allow existing smart controllers to water by ET.

Vineyard City, through normal budget or grants, will purchase a weather station to install and connect to city controllers by 2025. This will allow greater control of Vineyard’s irrigation

water. The City will be able to monitor each system for proper watering times and leaks. When found, leaks will be repaired within 24 hours. Progress will be tracked by comparing water meter data before and after installation.

Goal #4 – Pass landscape ordinance requiring water-wise landscape and water efficiency standards on all new construction.

Vineyard is reviewing model landscape ordinance and water efficiency standards. These ordinances and standards are proposed to be adopted no later than May 1st, 2023. The Planning and Public Works Department will ensure that these standards are being followed when performing inspections for new construction.

Goal #5 – Support and encourage residents to earn rebates through the “Flip your Strip” program.

Vineyard has already begun to encourage residents to replace their turf park strips with a more water-wise landscape. The City has asked contractors to begin offering a water-wise option for park strips to their new homes.

Goal #6 – Vineyard will continue to use social media to promote water conservation.

From March to October every year, Vineyard will share one (1) social media post per month encouraging residents to use water wisely. These social media posts will include sharing things such as watering schedule updates provided by the State and CUWCD, as well as the “Flip your Strip” program. At least one (1) class per year will be held by the City to educate and promote water conservation practices. The Environmental Utilities Division will be tasked with ensuring the City’s Communications team shares these social media posts, and organizing and carrying out the water conservation classes.



Community Development

Date: Wednesday, February 22, 2022
From: Briam Amaya Perez, Senior Planner
To: City Council
Item: 9.6 Business Item: ORD. 2023-10; GRMU Zoning Text Amendment
Applicant: Jason Boal, Snell & Wilmer Law (Representing XDevelopment LLC)

SUMMARY

The applicant, Jason Boal, with Snell & Wilmer Law, is proposing to amend the Geneva Road Mixed-Use (GRMU) Special Purpose Zoning District to allow for off-site residential parking as permitted. XDevelopment has been in talks with the city and the Edgewater Townhomes on a proposal that would create additional parking for the apartment complex within the property located within the GRMU District and owned by XDevelopment. This ordinance modifies the language pertaining to requirements for landscape buffers and requirements for setbacks that would facilitate the additional parking. Furthermore, the landscaping requirements between the residentially zoned property and proposed parking lot need to be modified. The applicant is proposing to add between 145-165 additional parking spaces. In order for the proposal to work, the use of “off-site residential parking” needs to be added to the permitted use table. This ordinance also provides language that would allow for regular, accessible pedestrian entrances on the west side of the off-site parking lot leading to the townhomes, and at least one (1) accessible pedestrian entrance on the east side of the off-site parking lot leading to the commercial uses within the district. The ordinance establishes that the off-site parking lot cannot be walled on more than three-sides and that any fencing on the east side of the off-site parking lot must be transparent and permeable. The intent of these measures is to prevent safety issues that could develop in and around the proposed off-site parking lot intended to serve the Edgewater Townhomes.

STAFF RECOMMENDATION

City Staff recommend approval of the Geneva Road Mixed-Use Zoning Text Amendment.

PLANNING COMMISSION RECOMMENDATION

The Planning Commission recommended approval of the Geneva Road Mixed-Use Zoning Text Amendment on February 15, 2023.

PROPOSED MOTIONS

“I move to adopt Ordinance 2023-10 as presented by City Staff.”

ATTACHMENTS

Scope of Work
Ordinance 2023-10
Site Plan Concept

Snell & Wilmer

15 WEST SOUTH TEMPLE
SUITE 1200
GATEWAY TOWER WEST
SALT LAKE CITY, UT 84101
801.257.1900 P
801.257.1800 F

Jason Boal
(801) 257-1917
jboal@swlaw.com

January 24, 2023

Mayor Julie Fullmer
Vineyard City
125 S Main Street
Vineyard, UT 84059

Re: Vineyard City Zoning Code Amendment - GRMU

Honorable Mayor,

On behalf of X Development LLC, the property owners of parcels - 40:597:0004, 40:513:0005, 40:513:0006, 40:513:0007, 40:513:0008, 40:587:0012, 40:587:0013, 40:587:0014 and 40:587:0015, we would like to make an application for an amendment to the Vineyard City Zoning Code, specifically the recently adopted Geneva Road Mixed-Use (GRMU) District. This request is made pursuant to Vineyard City’s Zoning Code § 15-10-6, as adopted.

The reason for the request is to modify the GRMU District in order to identify “off-site residential parking” as a permitted use. X Development has been in talks with the city and the Edgewater Apartments on a proposal that would create additional parking for the apartment complex within the property located within the GRMU District and owned by X Development. In order for the proposal to work, the use of “off-site residential parking” needs to be added to the permitted use table. Additionally, the landscaping requirements between the residentially zoned property (current Edgewood property) and proposed parking area need to be modified.

As required in Vineyard City Code §15-10-070, we have included a redlined version of the proposed changes. Our proposal is to simply add a single use in the permitted use table and modify the landscaping screening standards to fit this unique circumstance. This approach allows the quickest and most efficient way of providing additional parking to the Edgewater complex.

We ask for the opportunity to present our proposed Code amendment to the Planning Commission for their recommendation and ultimately the City Council. We are pleased to have for the opportunity to work with Vineyard City through this Code amendment request.

Snell & Wilmer

Mayor Julie Fullmer
January 24, 2023
Page 2

If you have any questions or concerns, please feel free to reach out to us.

Respectfully submitted,

Snell & Wilmer



Jason Boal, AICP

CC: X Development LLC
Craig Jenson

Enclosures:
Redlined proposal of GRMU Code

**VINEYARD
ORDINANCE 2023-10**

ORDINANCE 2023-10

AN ORDINANCE OF THE CITY OF VINEYARD, UTAH, UPDATING THE GENEVA ROAD MIXED-USE (GRMU) SPECIAL PURPOSE ZONING DISTRICT TO INCLUDE NEW LANGUAGE THAT DESIGNATES OFF-SITE RESIDENTIAL PARKING AS A PERMITTED USE. THIS ORDINANCE MODIFIES THE LANGUAGE PERTAINING TO REQUIREMENTS FOR LANDSCAPE BUFFERS AND REQUIREMENTS FOR SETBACKS. THIS ORDINANCE ALSO PROVIDES FOR REGULAR AND ACCESSIBLE PEDESTRIAN CONNECTIONS TO AND FROM OFF-SITE RESIDENTIAL PARKING LOTS, AND PROHIBITS OFF-SITE PARKING LOTS TO BE WALLED ON MORE THAN THREE (3) SIDES. PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION BY SUMMARY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in compliance with the Utah State Municipal Land Use, Development, and Management Act (LUDMA), the City established an amendment to the Geneva Road Mixed-Use Special Purpose Zoning District; and

WHEREAS, the Geneva Road Mixed-Use Special Purpose Zoning District Amendment provides for modifications to the requirements for landscape buffers, setbacks, and permitted uses; and

WHEREAS, the Planning Commission held a public hearing on February 15, 2023, and after fully considering public comment and staff recommendation, recommended approval to the City Council, and

WHEREAS, the City Council reviewed the amended language within the Geneva Road Mixed-Use Special Purpose Zoning District Amendment and held a public hearing on February 22, 2023, and after fully considering public comment, staff and Planning Commission's recommendations, evidence, and testimony presented by the City, staff, and other interested parties.

NOW THEREFORE, be it ordained by the Council of the Vineyard, in the State of Utah, as follows:

SECTION 1: **AMENDMENT** “7.08 Development Standards” of the Vineyard Special Purpose Zoning Districts is hereby *amended* as follows:

AMENDMENT

7.08 Development Standards

1. **Project Characteristics.** Development on the lots located in the GRMU District shall have the following characteristics:
 - a. Buildings which may accommodate one or more uses;
 - b. Predetermined right in/right out access points to Geneva Road will be utilized for access to Geneva Road.
 - c. Access will be provided to the lots via a eastern cross access drive and/or western cross access drive, an access point on 400 North and the approved access points on Geneva road;
 - d. The off-site parking lot that serves the Edgewater Townhomes located approximately on Utah County parcels 38:531:0020 and 38:452:0033 shall have a clear view from Geneva Road into the parking lot. Any fencing on the east side of this lot shall be transparent and permeable. There shall be at least one (1) usable, accessible pedestrian connection on the east side of this lot to the commercial uses within the district.
 - e. Off-site parking lots shall not have walls on more than three (3) sides.
 - f. There shall be a useable, accessible pedestrian connection on the west side of the lot to the Edgewater Townhomes every 150 FT.
 - g. All pedestrian connections leading to and from the off-site parking lot shall be paved and meet ADA standards.
2. **Minimum Acreage.** The minimum acreage for application of the GRMU District is five (5) acres.
3. **Residential Intensity.**
 - a. Mixed use residential projects may only be permitted through a Development Agreement, as provided for in Section 15.16 of this title, on lot 8 of the Geneva Retail Frontage Subdivision and lots 12, 14 and 15 of the Geneva Retail Frontage Subdivision Plat B. See Section 07.12 District Use Table and Table Note 8 for additional standards.
4. **Non-Residential Intensity.** There is no limit on the intensity of non-residential development as long as each development complies with the development standards of The GRMU District, any other applicable Vineyard Ordinances and the requirements herein.
5. **Building Height.**
 - a. No primary building within any district shall be erected to a height less than one (1) story entirely above grade.
 - b. No primary building shall be built to a height greater than sixty feet (60'). Building height is measured from the top of the back of curb to the highest point of the building or structure. See also the definition of "Building Height."
6. **Setbacks.**
 - a. Building Setback: The building setbacks in the GRMU district shall be measured from established property lines. The property contains easements that may further impact buildable areas.
 - i. Front Setback: Five feet (5') from the property line adjacent to

Geneva Road. The south five lots shall maintain a minimum 15 foot landscape street buffer along Geneva Road.

- ii. Side Setback: There shall be no minimum internal side setback requirement from property lines. Street side setbacks on a corner lot shall be twenty feet (20').
- iii. Rear Setback: Twenty feet (20')
- iv. Landscaping, parking and drive areas are permitted in the rear setback area on lots with a building. On lots with no-buildings, landscaping, parking, and drive areas are permitted in all setback areas.

7. **Compatibility Requirements.** Development within The GRMU District shall be compatible with and preserve the character and integrity of adjacent land uses. Each development shall include improvements or modifications, either on-site or within the public rights-of-way, to mitigate adverse impacts, such as traffic, noise, odors, shadow, scale, visual nuisances or other similar adverse effects on existing adjacent land uses. These improvements or modifications may include but shall not be limited to the placement or orientation of buildings and entryways, parking areas, buffer yards, the alteration of building mass, and the addition of landscaping, walls, or both.

- a. The main structure on Lot 11 of the Geneva Retail Frontage Subdivision, which is the corner lot on Geneva Road and 400 North, shall have a design that is comparable and compatible with the structures on the north side of 400 North.

8. **Separation Between Industrial Uses.** There shall be an appropriate separation between existing or planned industrial uses and planned residential uses to provide adequate safety and to avoid concerns with noise, odors, views, and other reasonable concerns as determined by the Planning Commission at the time of Site Plan approval.

9. **Mixed Use Requirements**

- a. Mixed-use development is a development in which land uses are mixed vertically and/or horizontally (such as with existing or planned adjacent land uses). The GRMU District shall comply with the following standards:
- b. Each development or project area shall connect to and be compatible with any adjacent development or project area.

10. **Open Space.** The GRMU District shall provide open space within the development as follows:

- a. If mixed use residential is approved through a development agreement, a minimum of fifteen (15) percent of the site area of the residential development shall be set aside as recreation amenities. Such areas shall be used for tot lots, play fields, armadas, gardens, and other similar areas as approved by the Planning Commission during site plan approval. The City Council may require open space details to be submitted with the development agreement for their consideration.
- b. A minimum of ten (10) percent of the total project area shall be dedicated towards open space.
- c. All open space areas shall be owned and maintained by a property owners association or landowner. Areas greater than 5 acres in size may be dedicated to the City upon approval of the City Council.

- d. Detention and retention basins shall not be counted towards the Open Space requirements. The city engineer may approve underground stormwater facilities to count toward minimum open space requirements if the quality of the open space recreational amenities is maintained.
 - e. Light Vehicle Repair, Sales, Carwashes, and drive-thru establishments shall at a minimum contain a fifteen (15) foot waterwise street landscaping buffer with a variety of trees, vegetation, and ground cover, measured from the property line along Geneva Road. A decorative fence not exceeding 42” in height shall be installed within the street landscaping buffer. The fifteen (15) foot street landscape buffer may be split between both sides of a shared access road if located between the front building façade and Geneva Road, but shall maintain at least ten (10) feet of landscaping buffer abutting the Geneva Road property line.
11. **Parking.** Parking shall meet the requirements of Chapter 15.38 Parking and Loading Requirements. Shared parking agreements for property in the GRMU and adjacent to the GRMU are permitted.
 12. **Landscaping.** A common landscape theme shall be established for each Site Plan. All landscaping, including materials and quantities, shall be installed in accordance with the provisions of the Zoning Ordinance, except as otherwise stated in this code.
 - a. No landscape buffer is required between a lot that contains off-site residential parking and contiguous residential development or residential zoning district.
 - b. Four feet (4') of landscaping buffer shall be provided between off-site residential parking and other uses. The landscaping can be provided on either lot, as long as the total buffer is four feet (4').

SECTION 2: AMENDMENT “7.12 District Use Table*” of the Vineyard Special Purpose Zoning Districts is hereby *amended* as follows:

AMENDMENT

7.12 District Use Table*

ZONING DISTRICT USES		GRMU
	Agriculture; Commercial	N
	Animal Hospital	N
	Billboard	C
	Cannabis Production Establishment	N
	Car Wash	P

COMMERCIAL	Chemical Manufacture, Storage, and Distribution (Existing)	N
	Commercial Day Car/Preschool	C
	Commercial Plant Nursery	N
	Commercial Recreation, Indoor	C
	Composting Facility	N
	Construction Sales and Service	N
	Contractor's Office/Storage Yard	N
	Distribution Center	N
	Drive-thru Facility	P ⁷
	Dry Cleaning	P
	Financial Institution	P
	Flammable Liquids or Gases Manufacture, Storage and Distribution	N
	Funeral Home/Mortuary	N
	Golf Course	N
	Health and Fitness Facility	P
	Hotel	C
	Hybrid Production Facility	C
	Kennel, Commercial	N
	Kennel, Outdoor Commercial	N
	Laundry, Commercial	P
	Laundry, Self Serve	P
	Manufacturing, Heavy	N
	Manufacturing, Light	N
	Medical and Dental Clinic	P
	Medical or Dental Laboratory	P
	Motel	C
	Motor Vehicle Fueling Station	P
	Nightclub	C
	Nursing Care Facility	C

Nursing Home, Convalescent Care	N
Office	P
Pawnshop	N
Personal Care Services	P
Personal Instruction Service	P
Pharmacy	P
Pharmacy, Medical Cannabis	N
Private Club	C
Restaurant	P
Retail Sales and Services	P
Retail Sales and Services (Community Commercial)	P
Retail Sales and Services (Regional)	P
Salvage Yard	N
Sexually Oriented Business	N
Storage - Self Service Mixed-Use Facility	N
Storage - Self Service	N
Storage of Recreational Vehicles	N
Trailer/RV Camping Facilities	N
Vehicle and Equipment Repair (Major)	N
Vehicle and Equipment Repair (Minor)	P
Vehicle and Equipment Sale and Rental New or Used (Heavy)	C
Vehicle and Equipment Sale and Rental New or Used (Light)	C
Warehouse	N
Warehouse Club	N

ZONING DISTRICT USES		GRMU
PUBLIC AND INSTITUTIONAL	Assembly, Place of	C
	Commuter and Light Rail Facilities and Station	P
	Earth Station (Satellite Dish Farm	N
	Educational Facility	P
	Emergency Care Facility	P
	Environmental Remediation Activities	P
	Farmer's Market	C
	Heliport	N
	Hospital	C
	Liquor Store (State Owned)	C
	Major Facility of a Public Utility	C
	Museum	P
	Open Space and Trails	P
	Parks and Associated Facilities	P
	Park and Ride Facility	N
	Power Plant	N
	Public Use	C
	Recycling Collection Center	N
	Recycling Processing Facility	n
	Transit Passenger Hub (Intermodal)	P
	Wireless Telecommunications Site/Facility	C ²

ZONING DISTRICT USES		GRMU
	Accessory Building	N
	Accessory Dwelling Unit	N
	Accessory Dwelling Unit for Owner or Employee	N
	Accessory Use	P
	Billboard	N
	Domestic Livestock and Fowl	N
	Home Day Care (one to seven children)	N
	Home Day Care (eight to ten children)	N
	Home Occupation	N
	Home Preschool (one to seven children)	N
	Home Preschool (eight to ten children)	N
	Household Pets, Noncommercial	N
	Open/Outdoor Display of Products or Merchandise	N
	<u>Off-site Residential Parking Lot</u>	<u>p⁹</u>
	Seasonal Use	T ⁵
	Sign - Temporary	T ⁶
	Swimming Pool	p ²
	Temporary Use	T ⁵
	Tennis Court/Sports Court	N

1. Religious institutions are allowed through the provision of a conditional use permit.
No other assembly uses as defined in VZC 15.60 of this ordinance are permitted.
2. See VZC 15.34 for additional use development standards.
3. Use is allowed as an accessory use to a principle use.
4. Use shall not exceed 25% of the net square footage of a single building or development.
5. See VZC 15.26 for additional use standards.
6. See VZC 15.48 for signage requirements.
7. In accordance with the District Use Table above, drive-thru facilities complying with all standards listed in Section 15.34.190 Part 1 through 11 of the VZC are considered a permitted use. Drive-thru facilities containing a drive aisle between the building's front façade and the front property line shall require the approval of a conditional use

permit. See Part 12 of Section 15.34.190 of the VZC.

8. Mixed-Use Residential may only be permitted by the City Council through approval of a development agreement. The City Council may only approve Mixed-Use Residential that is incorporated into a mixed-use building containing commercial uses located on the ground floor facing the street in which it fronts. Mixed-Use residential will be limited to lot 8 of the Geneva Retail Frontage Subdivision Plat and lots 12, 14 and 15 of the Geneva Retail Frontage Subdivision Plat B.

9. Off-site residential parking lot is defined as an area that provides parking to an existing and approved residential project, but is located on a separate lot.

SECTION 3: REPEALER CLAUSE All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

SECTION 4: SEVERABILITY CLAUSE Should any part or provision of this Ordinance be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the Ordinances a whole or any part thereof other than the part so declared to be unconstitutional or invalid.

SECTION 5: EFFECTIVE DATE This Ordinance shall be in full force and effect from _____ and after the required approval and publication according to law.

PASSED AND ADOPTED BY THE VINEYARD COUNCIL

_____.

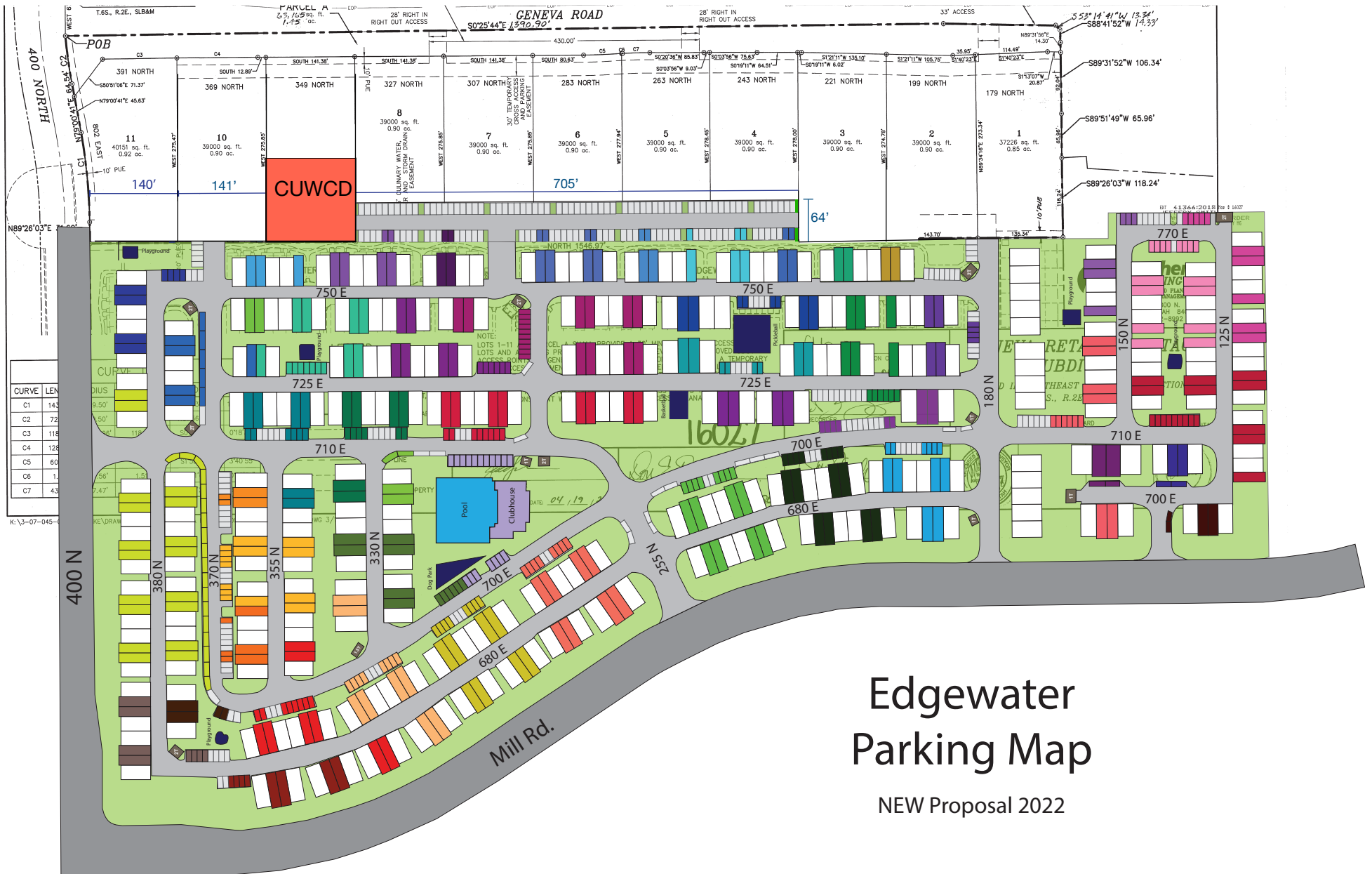
	AYE	NAY	ABSENT	ABSTAIN
Mayor Julie Fullmer	_____	_____	_____	_____
Tyce Flake	_____	_____	_____	_____
Amber Rasmussen	_____	_____	_____	_____
Mardi Sifuentes	_____	_____	_____	_____
Cristy Welsh	_____	_____	_____	_____

Presiding Officer

Attest

Julie Fullmer, Mayor, Vineyard

Pamela Spencer, City Recorder,
Vineyard





Community Development

Date: Wednesday, February 22, 2022
From: Briam Amaya Perez, Senior Planner
To: City Council
Item: 9.7 - ORD. 2023-11; Telos Academy Zoning Text Amendment
Applicant: Gary Tyler, Telos U Academy
Background: Planning Commission recommended approval to City Council on Feb. 15, 2023

SUMMARY

The applicant, Mr. Gary Tyler, with Telos Academy, is proposing an amendment to Vineyard Zoning Code (VZC) 15.12.050 'District Use Table' to increase Clinical Support Housing use in a single building or development within the Neighborhood Commercial Zoning District to no more than 80% of the net square footage. Telos Academy intends to construct a three story building with residents living on the 2nd and 3rd floors, while maintaining the 1st floor for business and commercial operations. Mr. Tyler stated that for the project to be feasible, they need this amendment to the zoning code. Telos feels that this amendment still allows them to meet the intent of the Neighborhood Commercial (NC) zoning district by providing a mixed-use transition between major roadway and high-impact use between residential neighborhoods. The main level of this building will have a storefront feel with offices and conference rooms.

During a public hearing in the February 15, 2023, Planning Commission meeting, Chair Bryce Brady inquired the reason the applicant was proposing the change. The applicant answered that the owner is not a developer with commercial connections. The 50% requirement for commercial usage made it impractical and financially infeasible for them to move forward. He further stated that the bottom floor of the proposed building will look like a commercial building and that they believe it meets the intent. Chair Brady also asked if the residents will still work in the commercial areas, as was originally discussed. The applicant stated that intent has since been changed. During the meeting, Planning Commissioner Craig Bramwell asked the applicant if 80% of clinical support housing usage would indeed meet their needs; to which the applicant replied, yes, it would.

STAFF RECOMMENDATION

No recommendation from City Staff.

PLANNING COMMISSION RECOMMENDATION

Planning Commission recommended approval of Ordinance 2023-11 on February 15, 2023.

POTENTIAL MOTIONS

"I move to approve Ordinance 2023-11 as presented by City Staff."

"I move to approve Ordinance 2023-11 with the following conditions..."

"I move to deny Ordinance 2023-11 as presented by City Staff."

ATTACHMENTS

Scope of Work

Ordinance 2023-11.

To whom it may concern:

See the letter below from the Owner's General Council for an explanation of the proposed building and use. The building will be 3 stories with residents on the 2nd and 3rd floors. The main floor will be for business and commercial operations.

For the project to be feasible we need to modify Ordinance 2020-05, 15.12.050 District Use Table, 8. Clinical support Housing use shall not exceed **80%** of the net square footage of a single building or development.

We feel that the project meets the intent of the NC zone by providing a mixed-use transition area between major roadways and high impact use between residential neighborhoods. The main level of this building will have a storefront feel with offices and conference rooms.

We will provide floor plans and renderings of the proposed building for your consideration.

Thanks,

GARY L. TYLER

Design/Build Manager

HUGHES GENERAL

CONTRACTORS

[801.292.1411](tel:801.292.1411) office

[801.296.5746](tel:801.296.5746) direct

[801.295.0530](tel:801.295.0530) fax

[801.644.9894](tel:801.644.9894) cell

garyt@hughesgc.com

www.HughesGC.com



August 29, 2022

George Reid, Chief Building Official
Vineyard Building Department
125 S. Main Street
Vineyard, UT 84059

Mr. Reid, or To Whom It May Concern:

RE: Telos property development on Geneva Road

As you are aware, Telos purchased property located directly to the North of its current building on Geneva Road in Orem, as the intended site for expansion of our residential treatment program. This new property is situated within Vineyard city boundaries, and has been made subject to a special NC District building and zoning criteria.

We now write to request your recognition of our proposed facility – to be built on this Vineyard property – as one that falls within an exception to the requirements of the NC District building and zoning criteria, as a care facility for residents with disabilities.

Our present business operations, and the primary purpose of our intended care facility to be built in Vineyard, provides for the physical, emotional and therapeutic needs of adolescents and young adults in a residential treatment setting, most of whom have mental impairments which require constant supervision and support from residential and nursing staff. In addition, our adolescent residents who come to us with continuing high-school education needs are enrolled in Telos Academy, which will be located within this same proposed building, and which provides for many of our student residents via contractual placements by School Districts in other states under the Individuals with Disabilities Education Improvement Act (IDEIA). These students are recognized by congress as having disabilities being accommodated by Telos.

Specifically, we trust that your recognition of our new campus as a care facility providing for those with disabilities of varying needs will allow Telos to make use of its building as necessary, without the constraints of the NC District requiring that fifty percent (50%) of its total square footage be assigned to retail use.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. Rogers", with a long horizontal flourish extending to the right.

Christopher J. Rogers, Esq.
General Counsel
Direct: (801) 884-8501
Phone: (801) 426-8800, ext. 1143
crogers@telos.org

**VINEYARD
ORDINANCE 2023-11**

ORDINANCE 2023-11

AN ORDINANCE OF THE CITY OF VINEYARD, UTAH, UPDATING 15.12 'ESTABLISHMENT OF DISTRICTS AND ZONING TABLES' OF THE ZONING CODE. THIS ORDINANCE MODIFIES THE LANGUAGE FOUND IN 15.12.050 'DISTRICT USE TABLE', MORE PARTICULARLY SUPERScript 8, TO INCREASE CLINICAL SUPPORT HOUSING IN A SINGLE BUILDING OR DEVELOPMENT WITHIN THE NEIGHBORHOOD COMMERCIAL ZONING DISTRICT TO NO MORE THAN 80% OF THE NET SQUARE FOOTAGE. PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; PROVIDING PUBLICATION BY SUMMARY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in compliance with the Utah State Municipal Land Use, Development, and Management Act (LUDMA), the City established an amendment to 15.12 "Establishment of Districts and Zoning Tables" of the Zoning Code; and

WHEREAS, the amendment to 15.12 'Establishment of Districts and Zoning Tables' of the Vineyard Zoning Code allows Clinical Support Housing in a single building or development within the Neighborhood Commercial Zoning District to no more than 80% of the net square footage; and

WHEREAS, the Planning Commission held a public hearing on February 15, 2023, and after fully considering public comment and staff recommendation, recommended approval to the City Council; and

WHEREAS, the City Council reviewed the amended language within Vineyard Zoning Code Section 15.12 'Establishment of Zoning Districts and Zoning Tables and held a public hearing on February 22, 2023, and after fully considering public comment, staff and Planning Commission's recommendations, evidence, and testimony presented by the City, staff, and other interested parties.

NOW THEREFORE, be it ordained by the Council of the Vineyard, in the State of Utah, as follows:

SECTION 1: **AMENDMENT** "15.12.050 District Use Table*" of the Vineyard Zoning Code is hereby *amended* as follows:

AMENDMENT

15.12.050 District Use Table*

1. District Use Table: The district use table lists all use types and zoning districts where the use type is permitted (P), allowed through the provision of a conditional use permit (C), permitted as an accessory use (A) to a principal use or permitted for temporary timeframe (T).
2. Prohibited Uses: All uses marked with an “x” in the district use table or not specifically listed are prohibited, except where state or federal law otherwise preempts local land use regulation.
3. Additional Requirements: In addition to requirements listed at the bottom of the district use table, additional requirements for specific uses are listed in [VZC 15.14 Special Purpose Districts](#), VZC 15.32 General Property Development Standards and VZC 15.34 Supplementary Development Standards of the zoning ordinance.

Accessory Use: An accessory use, unless otherwise permitted in the zoning ordinance, shall not commence and no accessory structure shall be constructed without a principal use first being lawfully established on the subject site. P = Permitted Use; C = Conditional Use; T = Temporary Use; N = Non-Permitted Use; X^x = Indicates Additional Standards Below

NCNP

ZONING DISTRICT USES		O S	A - 1	R & A - 5	R E - 2 0	R - 1 - 5	R - 1 - 0	R - 1 - 8	R - 2 - 1 5	H D R - 1	H D R - 2	R M U	F M U	B P	R C	N C	FOI	M	PF
RES IDE NTI AL ⁸	Clinical Support Housing	N	N	N	N	N	N	N	N	N	N	N	N	N	N	P ₈	N	N	N
	Dwelling, Multiple-Family	N	N	N	N	N	N	N	N	N	P	P	P	N	N	N	N	N	N
	Dwelling Single-Family	N	P	P	P	P	P	P	P	P	N	P	N	N	N	N	N	N	N
	Dwelling, Two-Family	N	N	N	N	N	N	N	P	P	N	P	P	N	N	N	N	N	N
	Model Home or Unit	N	P	P	P	P	P	P	P	P	P	P	N	N	N	P	N	N	N
	Residence for Persons with a Disability	N	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	N	N	N	N	P ₂	N	N	N
	Residence for Persons with a Disability that are Substance Abuse Facilities located within 500 feet of a	N	C ₅	C ₅	C ₅	C ₅	C ₅	C ₅	C ₅	C ₅	C ₅	N	N		N	N	N	N	

	school																					
	Residential Facility for Elderly Persons	N	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	N	N	N	N		C ⁵ _N	N	N	N	N	
	Residential Lease, Short-term	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N		
	Agriculture, Commercial	P	P	P	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
	Animal Hospital	N	N	N	N	N	N	N	N	N	N	P	N	N	P	C	P	P	N			
	Billboard	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			
	Cannabis Production Establishment	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	p ⁹	p ⁹	N		
	Car Wash	N	N	N	N	N	N	N	N	N	N	C	N	N	C ₃	N	C	P	N			
	Chemical Manufacture, Storage, and Distribution (Existing)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	
	Commercial Day Care/Preschool Center	N	N	N	N	N	N	N	N	N	N	C	C	C	C	C	C ₃	N	N			
	Commercial Plant Nursery	N	C	C	N	N	N	N	N	N	N	C	N	N	P	N	P	P	N			
	Commercial Recreation, Indoor	N	N	N	N	N	N	N	N	N	N	C	C	C	P	P	N	N	N			
	Commercial Recreation, Outdoor	N	C	C	N	N	N	N	N	N	N	C	N	C	C	N	N	N	N			
	Composting Facility	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N		
	Construction Sales and Service	N	N	N	N	N	N	N	N	N	N	P	N	N	C	N	C	P	N			
	Contractor's Office/Storage Yard	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	P	N		
	Distribution																					

CO MM ERC IAL	Center	N	N	N	N	N	N	N	N	N	N	C	N	C	N	N	N	P	N
	Drive-thru Facility	N	N	N	N	N	N	N	N	N	N	P ₇	P ₇	N	P ₇	N	N	P ⁷	N
	Dry Cleaning	N	N	N	N	N	N	N	N	N	N	P	P	N	P	P	P	N	N
	Financial Institution	N	N	N	N	N	N	N	N	N	N	P	P	C	P	P	P	N	N
	Flammable Liquids or Gases Manufacture, Storage and Distribution	N	N	N	N	N	N	N	N	N	N	C	N	N	N	N	N	C	N
	Funeral Home/Mortuary	N	N	N	N	N	N	N	N	N	N	C	N	C	N	C	N	N	N
	Golf Course	C	C	C	N	C	N	N	N	N	N	N	N	N	N	N	N	N	N
	Health and Fitness Facility	N	N	N	N	N	N	N	N	N	N	P	P	P	P	P	N	N	N
	Hotel	N	N	N	N	N	N	N	N	N	N	C	C	C	C	C	N	N	N
	Hybrid Production Facility	N	N	N	N	N	N	N	N	N	N	C	C	N	C	C	P	N	N
	Kennel, Commercial	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N	P ²	P ²	N
	Kennel, Outdoor Commercial	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C ²	C ²	N
	Laundry, Commerical	N	N	N	N	N	N	N	N	N	N	C	C	N	N	N	P	P	N
	Laundry, Self Serve	N	N	N	N	N	N	N	N	N	N	P	P	P	N	P	P	P	N
	Manufacturing, Heavy	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N
	Manufacturing, Light	N	N	N	N	N	N	N	N	N	N	N	N	P	N	N	P	P	N
	Medical and Dental Clinic	N	N	N	N	N	N	N	N	N	N	P	P	P	N	P	N	N	N
	Medical or Dental Laboratory	N	N	N	N	N	N	N	N	N	N	P	P	P	N	P	P	P	N
	Motel	N	N	N	N	N	N	N	N	N	N	C	C	C	C	C	N	N	N

Motor Vehicle Fueling Station	N	N	N	N	N	N	N	N	N	N	C	N	N	C	N	C	N	N	
Nightclub	N	N	N	N	N	N	N	N	N	N	C	C	N	C	C	N	N	N	
Nursing Care Facility	N	N	N	N	N	N	N	N	N	N	C	C	C	N	N	N	N	N	
Nursing Home, Convalescent Care	N	C	C	C	C	C	C	C	C	C	N	N	N	N	N	N	N	N	
Office	N	N	N	N	N	N	N	N	N	N	P	P	P	P ₄	P	p ⁴	N	N	
Pawnshop	N	N	N	N	N	N	N	N	N	N	C	N	N	N	N	N	N	N	
Personal Care Services	N	N	N	N	N	N	N	N	N	N	P	P	N	P	P	N	N	N	
Personal Instruction Service	N	N	N	N	N	N	N	N	N	N	P	P	C	P	P	C	N	N	
Pharmacy	N	N	N	N	N	N	N	N	N	N	P	P	N	P	N	N	N	N	
Pharmacy, Medical Cannabis	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	p ⁹	N	N	
Private Club	N	N	N	N	N	N	N	N	N	N	C	C	C	C		NC	N	N	
Restaurant	N	N	N	N	N	N	N	N	N	N	P	P	P	P	P	P	N	N	
Retail Sales and Services	N	N	N	N	N	N	N	N	N	N	P	P	P ₃	P	P	p ³³	N	N	
Retail Sales and Services (Community Commercial)	N	N	N	N	N	N	N	N	N	N	P	P	N	N	P	N	N	N	
Retail Sales and Services (Regional)	N	N	N	N	N	N	N	N	N	N	P	P	N	P	N	N	N	N	
Salvage Yard	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			
Sexually Oriented Business	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N
Storage - Self Service Mixed-Use Facility	N	N	N	N	N	N	N	N	N	N	C ₂	N	C ₂	C ₂	C ₂	C ²	N	N	
Storage - Self Service	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	P	N	
Storage of																			

	Recreational Vehicles	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
	Trailer/RV Camping Facilities	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N				
	Vehicle and Equipment Rental	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N	N		C	N	N
	Vehicle and Equipment Repair (Major)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N	P	N			
	Vehicle and Equipment Repair (Minor)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N	C	C	C	P	N
	Vehicle and Equipment Sale and Rental New or Used (Heavy)	N																	N			
	Vehicle and Equipment Sale or Rental New or Used (Light)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N	P	N	N		
	Warehouse	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N	N	P	P	N		
	Warehouse Club	N	N	N	N	N	N	N	N	N	N	C	N	N	C	N	N	N	N	N		
Wholesale Distribution	N	N	N	N	N	N	N	N	N	N	C	N	C	N	N	P	P	N				
	Assembly, Place of	N	C ₁	C ₁	C ₁	C ₁	C ₁	C ₁	C ₁	C ₁	C ₁	C	C	C	N	C	N	N	N			
	Commuter and Light Rail Facilities and Station	N										P	P	C	C	C	C	C	C			
	Earth Station (Satellite Dish Farm)	N	N	N	N	N	N	N	N	N	N	N	N	C	N	N	N	P	N			
	Educational Facility	N	C	C	C	C	C	C	C	C	C	P	P	P	C	P	N	N	N			
	Emergency Care Facility	N	N	N	N	N	N	N	N	N	N	p	P	C	N	N	N	N	N			
	Environmental Remediation	N	N	N	N	N	N	N	N	N	N	P	P	P	P	N	P	P	P			

PUB LIC AN D INS TIT UTI ON AL	Activities																		
	Farmers' Market	N	N	N	N	N	N	N	N	N	N	C	C	C	N	C	N	N	C
	Heliport	N	N	N	N	N	N	N	N	N	N	C	N	N	C	N	N	C	N
	Hospital	N	N	N	N	N	N	N	N	N	N	C	C	N	N	N	N	N	N
	Liquor Store (State Owned)	N	N	N	N	N	N	N	N	N	N	C	C	N	C	C	N	N	N
	Major Facility of a Public Utility	C	C	C	C	C	C	C	C	C	C	C	N	N	C	N	C	C	C
	Minor Facility of a Public Utility	P	P	P	P	P	P	P	P	P	P	C	C	P	C	C	P	P	P
	Museum	N	N	N	N	N	N	N	N	N	N	P	P	C	C	P	N	N	N
	Open Space and Trails	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
	Parks and Associated Facilities	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
	Park and Ride Facility	N	N	N	N	N	N	N	N	N	N	P	N	C	N	N	P	P	N
	Power Plant	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N		C	N
	Public Use	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	P
	Recycling Collection Center	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	P	N
	Recycling Processing Facility	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	C	N
	Transit Passenger Hub (Intermodal)	N	N	N	N	N	N	N	N	N	N	P	P	N	C	N	C	C	C
	Wireless Telecommunica tions Site/Facility	N	C ₂	C ₂	N	N	N	N	N	N	N	C ₂	C ₂	C ₂	N	N	C ²	C ²	C ²
	Accessory Building	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	N	N	N	N	P ₂	N	N	N
	Accessory Dwelling Unit	N	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	N	N	N	N	N	N	N	N
	Accessory Dwelling Unit																		

AC CES SOR Y USE S	for Owner or Employee	N	P	P	N	N	N	N	N	N	N	N	N	N	N	P	C	C	N
	Accessory Use	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	Billboard	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	Domestic Livestock and Fowl	N	P ₂	P ₂	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	Home Day Care (one to seven children)	N	P	P	P	P	P	P	P	P	P	N	N	N	N	N	N	N	N
	Home Day Care (eight to ten children)	N	C	C	C	C	C	C	C	C	C	N	N	N	N	N	N	N	N
	Home Occupation	N	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	N	N	N	P ₂	N	N	N
	Home Preschool (one to seven children)	N	P	P	P	P	P	P	P	P	P	N	N	N	N	N	N	N	N
	Home Preschool (eight to ten children)	N	C	C	C	C	C	C	C	C	C	N	N	N	N	N	N	N	N
	Household Pets, Noncommercial	N	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	N	N	N	N	P ₂	N	N	N
	Open/Outdoor Display of Products or Merchandise	N	N	N	N	N	N	N	N	N	N	C	N	N	C	C	C	P	N
	Seasonal Use	T ₅	N	N	N	N	N	N	N	N	N	T ₅	T ₅	T ₅	T ₅	T ₅	T ⁵	N	N
	Sign - Temporary	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ₆	T ⁶	T ⁶	T ⁶
	Swimming Pool	P	C ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	P ₂	N	N	P ₂	N	N	N
	Temporary Use	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ₅	T ⁵⁵	T ⁵	T
	Tennis Court/Sports Court	C	C	C	C	C	C	C	C	C	C	N	N	N	N	P	N	N	C

1. Religious institutions are allowed through the provision of a conditional use permit. No other assembly uses as defined in VZC 15.60 of this ordinance are permitted.
2. See VZC 15.34 for additional use development standards.
3. Use is allowed as an accessory use to a principle use.
4. Use shall not exceed 25% of the net square footage of a single building or development.
5. See VZC 15.26 for additional use standards.
6. See VZC 15.48 for signage requirements.
7. In accordance with the District Use Table above, drive-thru facilities complying with all standards listed in [Section 15.34.190](#) Part 1 through 11 of the VZC are considered a permitted use. Drive-thru facilities containing a drive aisle between the building's front façade and the front property line shall require the approval of a conditional use permit. See [Part 12 of Section 15.34.190](#) of the VZC.
8. Clinic Support Housing use shall not exceed ~~5~~80% of the net square footage of a single building or development.
9. Use shall meet all licensing requirements as required by Utah State Code and conform to [Section 15.34.210](#) Cannabis Production Establishments and Medical Cannabis Pharmacies development standards of this title.

SECTION 2: **REPEALER CLAUSE** All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

SECTION 3: **SEVERABILITY CLAUSE** Should any part or provision of this Ordinance be declared by the courts to be unconstitutional or invalid, such decision shall not affect the validity of the Ordinances a whole or any part thereof other than the part so declared to be unconstitutional or invalid.

SECTION 4: **EFFECTIVE DATE** This Ordinance shall be in full force and effect from _____ and after the required approval and publication according to law.

PASSED AND ADOPTED BY THE VINEYARD COUNCIL

_____.

	AYE	NAY	ABSENT	ABSTAIN
Mayor Julie Fullmer	_____	_____	_____	_____
Tyce Flake	_____	_____	_____	_____
Amber Rasmussen	_____	_____	_____	_____
Mardi Sifuentes	_____	_____	_____	_____
Cristy Welsh	_____	_____	_____	_____

Presiding Officer

Attest

Julie Fullmer, Mayor, Vineyard

Pamela Spencer, City Recorder,
Vineyard



VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: February 22, 2023

Agenda Item: 9.9 Impact Fee Agreement with Flagborough

Department: City Manager

Presenter: Ezra Nair

Background/Discussion:

As the city has made efforts to be more calculated, open & transparent, we've decided to do a comprehensive review and update of our impact fees. As we make efforts to update our impact fees, the city would like to allow flexibility for a few buildings that are currently being permitted.

A similar type of agreement was made with X-Development to allow the city to update its transportation impact fees. For the downtown area, this agreement is being made primarily to improve how we account for impact fees internally.

The transportation master plan will be completed by the end of this calendar year.

Fiscal Impact:

FY23: \$360,000 of deferred revenue.

Recommendation & Additional Options:

Staff recommends the city council approve and authorize the city manager to enter into an impact fee agreement with Flagborough LLC as presented.

Sample Motion:

I move to adopt Resolution 2023-13 approving and authorizing the city manager to enter into an impact fee agreement with Flagborough LLC as presented.

Attachment

Resolution 2023-13

Draft Agreement

RESOLUTION 2023-13

**A RESOLUTION OF THE CITY COUNCIL OF VINEYARD, UTAH ESTABLISHING
AN IMPACT FEE AGREEMENT BETWEEN VINEYARD CITY, AND
FLAGBOROUGH, LLC**

WHEREAS, Vineyard is authorized to enter into an impact fee agreement with for the betterment of the public with land developers; and

WHEREAS, the City Council having determined that it is in the best interest of the public, adopts the proposed impact fee agreement on February 22, 2023.

NOW, THEREFORE, be it resolved by the City Council of Vineyard, in the State of Utah, as follows:

Section 1. Approval: The City Council of Vineyard, Utah hereby adopts the Impact Fee Agreement between the city and Flagborough LLC, as shown in exhibit A and authorizes the city manager to sign the agreement.

Section 3. Severability Clause. If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution; and all sections, parts, and provisions of this Resolution shall be severable.

Section 4. Effective Date. This Resolution shall be in full force and effect from February 22, 2023, and after the required approval and publication according to law.

PASSED AND ADOPTED BY THE VINEYARD CITY COUNCIL ON THIS 22nd DAY OF FEBRUARY 2023.

Presiding Officer

Julie Fullmer, Mayor, Vineyard

Attest

Pamela Spencer, City Recorder

AGREEMENT REGARDING CALCULATION AND PAYMENT OF IMPACT FEES

THIS AGREEMENT (this “Agreement”) is made and entered into as of the ____ day of February, 2023, (“Effective Date”) by and between **VINEYARD CITY**, a Utah municipal corporation, hereinafter referred to as the “City,” and **FLAGBOROUGH LLC** (“Developer”). City and Developer are hereinafter referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Developer owns and is developing property located in Vineyard City and more fully described in **Exhibit “A”** (“Property”); and

WHEREAS, the City has approved and recorded a “Plat” of the Property containing drawings of the buildings and related improvements the Developer plans to construct near Vineyard Station (“Vineyard Station,” “Project,” or “Vineyard Station Project”); and

WHEREAS, Developer has submitted an application for a building permit to begin construction on Buildings A to E in Block 5 of Vineyard Station (“Plan 22-0383”) and the entirety of Block 6 of Vineyard Station (“Plan 22-0384”) (referred to individual as “Plan” and collectively as the “Plans”); and

WHEREAS, issuance of building permits is conditioned on the payment of impact fees by the Developer, as such fees have been established by the City; and

WHEREAS, the city is in the process of updating its Impact Fee Facility Plan, Impact Fee Analysis, and Impact Fee Ordinance; and

WHEREAS, neither Party wishes for the updates to the Impact Fee Facility Plan, Impact Fee Analysis, and Impact Fee Ordinance to delay the issuance of building permits or to delay construction of the Vineyard Station Project; and

WHEREAS, the Parties wish to enter into this agreement to establish the calculation and payment of impact fees for Plan 22-0383 and Plan 22-0384;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer hereby agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into this Agreement.
2. **Calculation of Impact Fees.** Consistent with the provisions of Vineyard City Code, and the City’s Impact Fee Facility Plan, Impact Fee Analysis, and Impact Fee Ordinance, the Developer hereby agrees to pay impact fees to the City in amounts noted in the approval documents for Plans 22-0383 and -0384 attached as **Exhibit “B”** and incorporated herein by reference.

3. **Calculation Not Applicable to Future Buildings or Developments.** The Parties agree that the calculation of impact fees hereby agreed to is reasonable and appropriate under the approach set forth in the City's Impact Fee Analysis, and shall apply to this Property and these Plans only, and is not applicable to any other, or future, buildings, properties, or projects.

4. **Agreement Limited to Calculation and Payment of Impact Fees.** The Parties agree that this Agreement is limited to the calculation and payment of impact fees for the Plans. The Agreement shall have no bearing on other obligations of the Developer, including but not limited to the Developer's obligation to provide project improvements and to construct the Project and any other improvements to the Property in accordance with city ordinances, rules, and regulations.

5. **Payment.** Developer agrees to pay to the City impact fees for the Plans in the amount stated in Exhibit B to this Agreement. City agrees to allow Developer to defer payment of the transportation impact fee for the Plans until the date on which the City formally adopts an updated transportation impact fee facilities plan or December 31, 2023, whichever is earlier. If the City adopts a transportation impact fee facilities plan prior to December 31, 2023, Developer agrees to pay the amount in Exhibit B or the amount adopted by the City in the updated transportation impact fee facilities plan, whichever is lower.

6. **Building Permits.** The Parties agree and acknowledge that except for this Agreement as to the amount and timing of the impact fees, the Parties agree all other City and State requirements shall apply to the issuance of Building Permits for the Project, generally, and the Plans, specifically.

7. **Successors and Assigns.** This Agreement shall be binding upon the parties and their respective successors and assigns. Neither party may assign its rights or obligations under this Agreement without the advance written consent of the other party.

8. **Amendments.** Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the City and the Developer.

9. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the State of Utah, and any action pertaining hereto shall be brought in the Fourth District Court in Utah County, Utah. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions of this Agreement. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

10. **Invalid Provisions.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never composed a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

11. **Integrated Agreement.** Integrated Agreement. The Recitals, and all exhibits, schedules and attachments attached hereto, are incorporated and made an integral part of this Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter addressed. There are no other contracts or agreements, written or verbal, between the parties relating in any way to the subject matter of this Agreement. No party is relying on any verbal or written statements of the other than those expressly set forth in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first hereinabove written.

**“CITY”
VINEYARD CITY**

ATTEST:

City Recorder

By: _____
City Manager

**“DEVELOPER”
FLAGBOROUGH LLC**

By: _____
, Manager

Exhibit “A”
Description of the Property

DRAFT

Exhibit “B”
Approval Documents for the Plans w/ Impact Fees

DRAFT