

Midvale, Utah

July 18, 2023

The City Council (the “Council”) of Midvale City, Utah (the “City”), held a special public session, on July 18, 2023, at the hour of 6:00 p.m. with the following members of the Council being present:

Marcus Stevenson	Mayor
Bryant Brown	Councilmember
Dustin Gettel	Councilmember
Paul Glover	Councilmember
Heidi Robinson	Councilmember
Quinn Sperry	Councilmember

Also present:

Rori Andreason	City Recorder
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, a Certificate of Compliance with Open Meeting Law with respect to this July 18, 2023, meeting was noted in the record, a copy of which is attached hereto as Exhibit A.

It was then noted that pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), a notice of public hearing at 7:00 p.m. on July 18, 2023, with respect to the issuance of the Issuer’s Water, Sewer and Storm Water Revenue Bonds, Series 2023, in the principal amount of not to exceed \$15,000,000, was posted as a Class A notice under Section 63G-30-102(1) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (ii) on the City’s official website, and (iii) in a public location within the City that is reasonably likely to be seen by residents of the City, no less than fourteen (14) days prior to the public hearing. The public hearing was then opened to all members of the public desiring to give input with respect to the issuance by the Issuer of its Water, Sewer and Storm Water Revenue Bonds, Series 2023.

Following public comment, if any, the public hearing was closed.

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

AYE: Council Member Quinn Sperry
Council Member Paul Glover
Council Member Heidi Robinson
Council Member Bryant Brown
Council Member Dustin Gettel

NAY:

The resolution is as follows:

RESOLUTION NO. 2023-R-31

A RESOLUTION OF THE CITY COUNCIL OF MIDVALE, UTAH (THE “ISSUER”), DELEGATING TO CERTAIN OFFICERS OF THE ISSUER TO APPROVE THE FINAL TERMS AND PROVISIONS IN CONNECTION WITH THE ISSUANCE AND SALE OF NOT MORE THAN \$15,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER, SEWER AND STORM WATER REVENUE BONDS, SERIES 2023 BONDS OF THE ISSUER; AUTHORIZING AND APPROVING THE EXECUTION OF A SUPPLEMENTAL INDENTURE, A BOND PURCHASE CONTRACT, AND OTHER DOCUMENTS THAT MAY BE REQUIRED IN CONNECTION THEREWITH; APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of the Issuer desires to (a) finance the construction of certain water, sewer, and storm water infrastructure improvements and all related improvements (collectively, the “Series 2023 Project”), (b) fund any required deposit to a debt service reserve fund, 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 paragraph, the Issuer desires to issue its Water, Sewer and Storm Water 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), and in furtherance thereof, the Council adopted a resolution on June 20, 2023 (the “Parameters Resolution”) approving the issuance of the Series 2023 Bonds, the parameters for such bonds (the “Parameters”) and authorizing the posting of a notice of public hearing and bonds to be issued; and

WHEREAS, the Series 2023 Bonds are to be issued pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), (b) this Resolution and the Parameters Resolution, and (c) a General Indenture of Trust previously entered into and a Supplemental Indenture of Trust (together, the “Indenture”), each between the Issuer and Zions Bancorporation, National Association, as trustee (the “Trustee”) in substantially the forms presented to the meeting at which this Resolution was adopted and which are 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 Series 2023 Bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the Series 2023 Bonds and (ii) the potential economic impact that the improvement, facility, or property for which the Series 2023 Bonds pay all or part of the cost will have on the private sector and the Issuer has heretofore posted such a notice with respect to the Series 2023 Bonds and held the hearing on the date hereof; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase contract (the "Bond Purchase Contract"), in substantially the form attached hereto as Exhibit C to be entered into between the Issuer and the underwriter or the purchaser selected by the Issuer for the Series 2023 Bonds (the "Underwriter/Purchaser"); and

WHEREAS, in the event that the Designated Officer (defined below) determines 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 a Preliminary Official Statement (the "Preliminary Official Statement") in substantially the form attached hereto as Exhibit D, and to approve 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 (with the consultation and approval of Lewis Young Robertson & Burningham, Inc., the Issuer's Municipal Advisor) flexibility in setting the pricing date of the Series 2023 Bonds to optimize debt service costs to the Issuer, the Council desires to delegate to the Mayor (including any Mayor Pro Tem, the "Mayor"), the City Manager, or the Director of Administrative Services (together, the "Designated Officers"), 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 (including via a negotiated underwriting or public bid); (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 Council at the time of adoption of this Resolution, provided such terms do not exceed the Parameters set forth in the Parameters Resolution.

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

Section 1. For the purpose of (a) financing the Series 2023 Project; (b) funding any required deposit to a debt service reserve fund 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 "Midvale, Utah Water, Sewer and Storm Water 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) within the Parameters set by the Parameters Resolution (principal amount of not to exceed \$15,000,000, maturing in not more than thirty (30) years from their date, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, and to bear interest at a rate or rates of not to exceed 6.00% per annum, as shall be approved by the Designated Officer).

Section 2. The Designated Officer is hereby authorized to specify and agree as to the method of sale, among competitive sale or negotiated sale (including a private placement without the use of an Official Statement), 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. The selection of the form of sale via a private placement, negotiated underwriting, or competitive 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 Officer shall be evidenced by the execution of the Bond Purchase Contract in substantially the form attached hereto as Exhibit C, by the Designated Officer. The form of the Bond Purchase Contract is hereby authorized, approved and confirmed.

Section 3. The Supplemental Indenture in substantially the form presented to this meeting and attached hereto within Exhibit B is hereby authorized, approved, and confirmed. The Mayor (or in the Mayor's absence, any acting Mayor Pro Tem, herein collectively referred to as the "Mayor") and the City Recorder are hereby authorized to execute and deliver the Supplemental Indenture in substantially the form and with substantially the content as presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officer, 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.

Section 4. Should the Designated Officer determine to have the Series 2023 Bonds underwritten, the Issuer hereby authorizes the utilization of the Preliminary Official Statement (including an official notice of sale, if applicable), in the substantially the form attached hereto as Exhibit D, in the marketing of the Series 2023 Bonds and hereby approves an Official Statement in substantially the same form as the Preliminary Official Statement.

Section 5. The Designated Officer and any other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Series 2023 Bonds, the Bond Purchase Contract, the Preliminary Official Statement, the Official Statement, or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2023 Bonds (within the Parameters), 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, the Parameters Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States.

Section 6. The form, terms, and provisions of the Series 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 City 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 City Recorder may be by facsimile or manual execution.

Section 7. The Designated Officer 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 Officer or other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers (including, without limitation, any tax compliance policies and reserve instrument guaranty agreements permitted by the Indenture) 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.

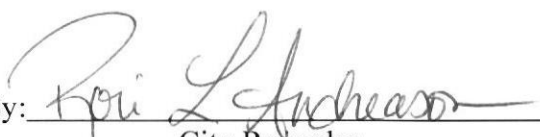
Section 11. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this July 18, 2023.

(SEAL)

By: 
Mayor

ATTEST:

By: 
City Recorder





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

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

(SEAL)



By: [Signature]
Mayor

ATTEST:

By: [Signature]
City Recorder

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

I, Rori Andreason, the duly appointed and qualified City Recorder of Midvale, Utah (the “City”), do hereby certify according to the records of the City Council of the City (the “City Council”) in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on July 18, 2023, including a public hearing and 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 July 18, 2023.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this July 18, 2023.

(SEAL)



By: Ron L. Anderson
City Recorder



EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Rori Andreason, the undersigned City Recorder of Midvale, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the July 18, 2023, public meeting held by the City Council of the City (the "City Council") as follows:

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

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be 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

(c) By causing a copy of such notice, in the form attached hereto as Schedule 1 to be posted on the City's official website at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 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 (a) posted in December 2022 at the principal office of the City Council, (b) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year, and (c) posted on the City's official website.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this July 18, 2023.

(SEAL)



By: Rori L. Andreason
City Recorder

SCHEDULE 1

NOTICE OF MEETING



7505 South Holden Street
Midvale, UT 84047
(801) 567-7200
www.midvalecity.org

**MIDVALE CITY COUNCIL REGULAR MEETING
AGENDA
JULY 18, 2023**

PUBLIC NOTICE IS HEREBY GIVEN that the **Midvale City Council** will hold a regular meeting on the **18th day of July 2023** at Midvale City Hall, 7505 South Holden Street, Midvale, Utah as follows:

Electronic & In-Person City Council Meeting

This meeting will be held electronically and in-person. **Public comments may be submitted electronically to the City Council at www.Midvalecity.org/government/contact-us by 5:00pm on July 17th and will be included in the record.**

The meeting will be broadcast on the following: **You Tube:** www.MidvaleCity.org/YouTube

6:00 PM – WORKSHOP

- Utah Flag Raising Ceremony

REGULAR MEETING – Immediately following Flag Raising Ceremony

I. GENERAL BUSINESS

- A. WELCOME AND PLEDGE OF ALLEGIANCE
- B. ROLL CALL
- C. Unified Fire Department Report
- D. Employee Association [*Juan Rosario*]
- E. Pioneer Day Proclamation

II. PUBLIC COMMENTS

Any person wishing to comment on any item not otherwise scheduled for a public hearing on the agenda may address the City Council at this point by stepping to the microphone and giving his or her name for the record. Comments should be limited to not more than three (3) minutes unless additional time is authorized by the Governing Body. Citizen groups will be asked to appoint a spokesperson. This is the time and place for any person who wishes to comment on non-hearing, non-Agenda items. Items brought forward to the attention of the City Council will be turned over to staff to provide a response outside of the City Council meeting.

III. MAYOR REPORT

- A. Mayor Marcus Stevenson

IV. COUNCIL REPORTS

- A. Councilmember Bryant Brown
- B. Councilmember Heidi Robinson
- C. Councilmember Paul Glover
- D. Councilmember Dustin Gettel

E. Councilmember Quinn Sperry

V. CITY MANAGER REPORT

VI. PUBLIC HEARINGS – 7:00 P.M.

- A. Consider a Final Subdivision Request for a Property located at 7422 S 410 E in the Single Family Residential-1/Duplex Overlay (SF-1/DO) zone to be split into two lots. **[Elizabeth Arnold, Senior Planner]**

ACTION: Consider approval of a Final Subdivision Request for a Property located at 7422 S 410 E in the Single Family Residential-1/Duplex Overlay (SF-1/DO) zone to be split into two lots.

- B. Consider a Final Subdivision Request for The Mills Phase 2 consisting of 48 lots located at approximately 8082 S 300 E in the Multifamily Residential – Medium Density (RM-12) zone. **[Elizabeth Arnold, Senior Planner]**

ACTION: Consider a Final Subdivision Request for The Mills Phase 2 consisting of 48 lots located at approximately 8082 S 300 E in the Multifamily Residential – Medium Density (RM-12) zone

- C. Public Hearing to allow public input regarding (A) The Issuance and Sale by Midvale City, Utah of not more than \$15,000,000 Aggregate Principal Amount of Water, Sewer and Storm Water Revenue Bonds, Series 2023; and (B) any Potential Economic Impact that the Project to be Financed with the Proceeds of the Series 2023 Bonds Issued Under the Act may have on the Private Sector; and Related Matters **[Mariah Hill, Administrative Services Director]**

ACTION: Consideration of Adoption of Resolution No. 2023-R-31 of the City Council of Midvale, Utah (The “Issuer”), Delegating to Certain Officers of the Issuer to Approve the Final Terms and Provisions in Connection with the Issuance and Sale of not more than \$15,000,000 Aggregate Principal Amount of Water, Sewer and Storm Water Revenue Bonds, Series 2023 Bonds of the Issuer; Indenture, a Bond Purchase Contract, and other documents that may be Required in Connection Therewith; Approving a Preliminary Official Statement and Official Statement; Authorizing the Taking of all other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution; and Related Matters

VII. CONSENT

- A. Consider Minutes of June 20, 2023 **[Rori Andreason, H.R. Director/City Recorder]**

VIII. ACTION ITEMS

- A. Review and Approval of **Resolution No. 2023-R-32** providing for a Special Bond Election to be held on November 21, 2023, for the Purpose of Submitting to the Qualified Electors of Midvale City, Utah (the “City”), a Proposition Regarding the Issuance of not to exceed \$11,200,000 General Obligation Bonds to Finance a Portion of the Costs to Construct a New Recreation Center, including a Community Pool and other Recreational Amenities, including Trails; providing for the Posting of a Notice of Public Hearing; Approving the form of and Directing the Posting of a Notice of Election and the Ballot Proposition; and Related Matters **[Matt Dahl, City Manager]**

- B. Consider **Ordinance No. 2023-O-11** Adopting the Midvale City Job Classification Plan, Salary Plan, Elected Official's Salaries, and Benefit Package for Fiscal Year 2024 [**Rori Andreason, H.R. Director/City Recorder**]

IX. POSSIBLE CLOSED SESSION

The City Council may, by motion, enter into a Closed Session for:

- A. Discussion of the Character, Professional Competence or Physical or Mental Health of an Individual;
- B. Strategy sessions to discuss pending or reasonably imminent litigation;
- C. Strategy sessions to discuss the purchase, exchange, or lease of real property;
- D. Discussion regarding deployment of security personnel, devices, or systems; and
- E. Investigative proceedings regarding allegations of criminal misconduct.

X. ADJOURN

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working days advance notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax; the agenda was posted in the City Hall Lobby, the 2nd Floor City Hall Lobby, on the City's website at www.midvalecity.org and the State Public Notice Website at <http://pmn.utah.gov>. Council Members may participate in the meeting via electronic communications. Council Members' participation via electronic communication will be broadcast and amplified so other Council Members and all other persons present in the Council Chambers will be able to hear or see the communication.

DATE POSTED: JULY 13, 2023

**RORI L. ANDREASON, MMC
H.R. DIRECTOR/CITY RECORDER**

SCHEDULE 2

ANNUAL MEETING SCHEDULE

EXHIBIT B

FORM OF INDENTURE



Midvale City 2023 Meeting Schedule

NOTICE OF ANNUAL MEETING SCHEDULE OF MIDVALE CITY, UTAH, PUBLIC NOTICE
is hereby given that the meeting schedule for the Midvale City Council for the year 2023 shall be as follows:

City Council

The City is required to hold a minimum of one regular City Council meeting each month; however, the City Council has decided to hold two regular meetings. Generally, the two regular meetings are scheduled to be conducted on the first and third Tuesday or as posted. All meetings are scheduled to begin at 6:00 p.m. or at any time designated by the Council. All meetings will be held at City Hall in the Council Chambers, 7505 South Holden Street, Midvale City, Utah, unless otherwise posted. **Please Note: This schedule is subject to change.**

Midvale City may call an emergency meeting to consider matters of an emergency or urgent nature. In accordance with Section 52-4-202 (5) UCA, notice requirements may be disregarded and the best notice practicable given. In accordance with Section 10-3-502 UCA, the Council may call a special meeting providing at least a three-hour notice.

The scheduled meeting dates are as follows:

Business Meetings

January 3, 2023	January 17, 2023
February 7, 2023	February 21, 2023
March 7, 2023	March 21, 2023
April 4, 2023	April 18, 2023
May 2, 2023	May 16, 2023
June 6, 2023	June 20, 2023
July 11, 2023	July 25, 2023
August 8, 2023	August 22, 2023
Sept. 5, 2023	Sept. 19, 2023
October 3, 2023	October 17, 2023
November 14, 2023	November 21, 2023
December 5, 2023	December 12, 2023

Redevelopment Agency

The City Council, acting in its capacity as the Board of Trustees of the Midvale Redevelopment Agency will usually meet on Tuesdays, in conjunction with City Council meetings, as needed and for which public notice shall be given. All meetings will be held at City Hall in the Council Chambers, 7505 South Holden Street, Midvale City, Utah, unless otherwise posted.

Municipal Building Authority

The City Council, acting in its capacity as the Board of Trustees of the Municipal Building Authority of Midvale City, will usually meet on Tuesdays, in conjunction with City Council meetings, as needed and for which public notice shall be given. All meetings will be held at City Hall in the Council Chambers, 7505 South Holden Street, Midvale City, Utah, unless otherwise posted.

Planning Commission

Planning Commission meetings are normally scheduled for the second and fourth Wednesdays of each month at 7:00 p.m. The business meetings are held in the Council Chambers, Midvale City Hall, 7505 South Holden Street, Midvale, Utah, unless otherwise posted. At the discretion of the Planning

Commission, meetings may be canceled or starting times changed as deemed necessary. Meetings, in addition to those specified herein, may be held as circumstances require. Appropriate notice will be given for such changes or additions. All meetings of the Planning Commission are open to the public.

The scheduled meeting dates for the Planning Commission are as follows:

Business Meetings

January 11, 2023	January 25, 2023
February 8, 2023	February 22, 2023
March 8, 2023	March 22, 2023
April 12, 2023	April 26, 2023
May 10, 2023	May 24, 2023
June 14, 2023	June 28, 2023
July 12, 2023	July 26, 2023
August 9, 2023	August 23, 2023
September 13, 2023	September 27, 2023
October 11, 2023	October 25, 2023
November 8, 2023	
December 13, 2023	

Other Boards and Committees

Other Boards and Committees will meet on an as needed basis. The location of meetings will be announced.

Posted: December 15, 2022

Rori L. Andreason, MMC, City Recorder/HR Director



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Commission, meetings may be canceled or starting times changed as deemed necessary. Meetings, in addition to those specified herein, may be held as circumstances require. Appropriate notice will be given for such changes or additions. All meetings of the Planning Commission are open to the public.

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July 12, 2023	July 26, 2023
August 9, 2023	August 23, 2023
September 13, 2023	September 27, 2023
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Posted: December 15, 2022

Rori L. Andreason, MMC, City Recorder/HR Director

EXHIBIT C

FORM OF BOND PURCHASE CONTRACT

BOND PURCHASE CONTRACT

\$[PAR]
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS, SERIES 2023

August [____], 2023

Midvale City
7505 South Holden Street
Midvale, Utah 84047

The undersigned [Underwriter] (the “Underwriter”), offers to enter into this bond purchase contract (the “Purchase Contract”) with Midvale City, 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, Sewer, and Storm Water 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 Zions Bancorporation, National Association, as trustee (the “Trustee”), pursuant to the General Indenture of Trust dated as of April 1, 2007, as heretofore supplemented and amended (the “General Indenture”), and as further supplemented by the Tenth Supplemental Indenture of Trust, dated as of September 1, 2023 (the “Tenth 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 August [____], 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 improvements to the City’s water, sewer, and storm water facilities (collectively, the “System”) 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, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by Lewis Young Robertson & Burningham Inc., its municipal advisor (the “Municipal Advisor”), and any notice or report to be provided to the City may be provided to the Municipal Advisor.

(b) Except as otherwise set forth in 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. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the City the price or prices at which the Underwriter has sold to the public each maturity of Bonds. If at that time the 10% Test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel. For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered 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, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, 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 Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Underwriter will 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 Bonds to the public at a price that is no higher than the initial offering price to the public.

- (d) The Underwriter confirms that:

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

- (A) (i) to report the prices at which it sells to the public the unsold 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 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,

- (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 dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

- (ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 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 the 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 the dealer, and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The City acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the 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 (ii) in the event that a third-party distribution agreement 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 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 the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 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 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” (when not capitalized) 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 August [___], 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 9:00 a.m., Utah time, on September [___], 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 Salt Lake City, 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 does 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 they 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 E 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" 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, 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 “MIDVALE CITY,” “THE SYSTEM,” and “LEGAL MATTERS—Absence of 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) 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 E, 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 Fitch Ratings, Inc. (“Fitch”) that the Bonds have been assigned ratings of “[]” and “[],” respectively, from S&P and Fitch.

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

(xvi) *[Add bond insurance items, as needed]*.

(xvii) 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 Midvale City, 7505 South Holden Street, Midvale, Utah 84047, Attention: [City Manager].

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

company for the duration of any contractual arrangement with the City, including this Purchase Contract.

14. 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.

15. 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.

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

17. 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.

[UNDERWRITER], as Underwriter

By: _____

Title: _____

Accepted as of the date first stated above:

Time of acceptance:

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

This _____, 2023.

MIDVALE CITY, UTAH

By: _____

[Mayor]

(SEAL)

ATTEST:

By: _____

[City Recorder]

EXHIBIT A

\$(PAR)

MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS, SERIES 2023

Maturity Date (<u>October 1</u>)	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

\$[PAR]
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS, SERIES 2023

The undersigned, on behalf of [Underwriter] (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 Midvale City, Utah (the "Issuer"), dated August [____], 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.] [For any Undersold Maturity, during the Holding Period the Underwriter (i) retained all unsold Bonds of each Undersold Maturity and did not allocate any such Bonds to any other Underwriting Firm and (ii) did not offer nor sell unsold Bonds of the Undersold Maturity to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.]

[Underwriter], 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

EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2023

**NEW ISSUE—Issued in Book-Entry Only Form
BANK-QUALIFIED**

Ratings [(Insured/Underlying)]: S&P ["___"/"___"]
Fitch ["___"]
(See "BOND RATINGS" herein.)

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), 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. The Series 2023 Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. 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" herein.

\$9,685,000*
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS,
SERIES 2023

Dated: Date of Initial Delivery

Due: October 1, as shown on the inside cover

The Series 2023 Bonds are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2023 Bonds. Purchases of 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. 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. Interest on the Series 2023 Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2024, through Zions Bancorporation, National Association, as Paying Agent, all as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2023 Bonds, payments of the principal of, premium, if any, 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. See "THE SERIES 2023 BONDS—Book-Entry Only System" herein.

The Series 2023 Bonds are issued for the purpose of (i) financing improvements to the City's water, sewer, and storm water facilities (collectively, the "System"), [(ii) [providing for a debt service reserve fund], and (iii) paying costs associated with the issuance of the Series 2023 Bonds.

The Series 2023 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2023 BONDS—Redemption" herein.

The Series 2023 Bonds are limited obligations of the City, payable solely from a pledge and assignment of Revenues of 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 Zions Bancorporation, National Association, as trustee. Neither the credit nor the taxing power of the City or the State of Utah or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2023 Bonds. The Series 2023 Bonds are not general obligations of the City or the State of Utah or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2023 Bonds shall not directly, indirectly, or contingently obligate the City or the State of Utah or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2023 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS" herein.

[The scheduled payment of principal of and interest on the Series 2023 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2023 Bonds by _____.]

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 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 the City Attorney. Lewis Young Robertson & Burningham, Inc. has acted as municipal advisor to the City in connection with the issuance of the Series 2023 Bonds. It is expected that the Series 2023 Bonds, in book-entry only form, will be available for delivery on or about September 6, 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.

[underwriter]

* Preliminary; subject to change.

\$9,685,000*
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS,
SERIES 2023

MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS

<u>Due</u> <u>(October 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
				598119 ____

[\$ _____ % Term Bond Due October 1, 20 ____; Price _____%; CUSIP No. 598119 ____ **]

* Preliminary; subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. 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 use of such CUSIP numbers, and no representation is made as to its correctness on the 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 Bonds as a result of various subsequent actions including but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023 Bonds.

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

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of the Series 2023 Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

All inquiries relating to this Official Statement and the offering contemplated herein should be directed to the Underwriter. Prospective investors may obtain additional information from the Underwriter or the City which they may reasonably require in connection with the decision to purchase any of the Series 2023 Bonds from the Underwriter.

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

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

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

The yields at which the Series 2023 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In connection with this offering, the Underwriter may engage in transactions that stabilize, maintain or otherwise affect market prices of the Series 2023 Bonds. Such transactions, if commenced, may be discontinued at any time.

THE SERIES 2023 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE SERIES 2023 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2023 Bonds.

[Statement of Insurer]

\$9,685,000*
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS
SERIES 2023

7505 South Holden Street
Midvale, Utah 84047
(801) 567-7200

MAYOR AND CITY COUNCIL

Marcus Stevenson.....	Mayor
Bryant Brown	Councilmember
Dustin Gettel	Councilmember
Paul Glover.....	Councilmember
Heidi Robinson.....	Councilmember
Quinn Sperry	Councilmember

CITY ADMINISTRATION

Matt Dahl.....	City Manager
Mariah Hill	Administrative Services Director
Rori Andreason	City Recorder
Karen Kester.....	City Treasurer
Garrett Wilcox.....	City Attorney
Keith Ludwig.....	City Engineer
Glenn Kennedy.....	Public Works Director

**TRUSTEE, BOND REGISTRAR, AND PAYING
AGENT**

Zions Bancorporation, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133
(801) 844-7517

MUNICIPAL ADVISOR

Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700

BOND AND DISCLOSURE COUNSEL

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15 West South Temple, Suite 1450
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(801) 364-5080

UNDERWRITER

[to be determined]

* Preliminary; subject to change.

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\$9,685,000*
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS
SERIES 2023

INTRODUCTION

This Official Statement, including the cover page, introduction and appendices provides information regarding (i) the issuance and sale by Midvale City, Utah (the “City”), a political subdivision of the State of Utah, of its \$9,685,000* Water, Sewer, and Storm Water Revenue Bonds, Series 2023 (the “Series 2023 Bonds”), initially issued in book-entry form only; (ii) the City; and (iii) the sewer system (the “Sewer Facilities”), the water system (the “Water Facilities”), and the storm water system (the “Storm Water Facilities,” and collectively with the Sewer Facilities and the Water Facilities, the “System”) owned and operated by the City. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2023 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in “APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE.”

See also the following appendices attached hereto which are hereby incorporated herein by reference: APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022; APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE; APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY; APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING; APPENDIX E—FORM OF OPINION OF BOND COUNSEL; APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM; and [APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY].

The City

The City was incorporated in 1909 and covers an area of approximately 6 square miles within Salt Lake County, Utah. The City is located approximately 10 miles south of Salt Lake City, Utah, on Interstate 15 in the middle of the Salt Lake Valley. The City had 35,637 residents in 2022 according to the estimate of U.S. Census Bureau. For more information regarding the City and the surrounding area, see “MIDVALE CITY” herein and “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022” and “APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY.”

The System

The System consists of the Water Facilities, the Sewer Facilities, and the Storm Water Facilities. The Water Facilities currently consist of approximately 97 miles of transmission lines, 2 storage tanks which have a collective capacity of 6.5 million gallons, and 3 active wells. The Sewer Facilities consist of approximately 45 miles of 8-inch to 27-inch interceptors and collectors, and 3 lift stations. The sewage collected by the Sewer Facilities is treated at the South Valley Water Reclamation Facility, in which the City owns 6.16% of the capacity rights. The Storm Water Facilities consist of a combination of pipes, curb and gutter, and natural features such as canals and culverts. All of the Storm Water Facilities within the City flow by gravity; there are no pumps or pressurized pipes in the Storm Water Facilities. See “THE PROJECT” and “THE SYSTEM,” herein for additional information.

Authorization 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, as amended (the “Act”); (ii) resolutions of the City adopted on June 20, 2023 and [July 18], 2023 (together, the “Resolution”); (iii) a General Indenture of Trust dated as of April 1, 2007, as heretofore

supplemented and amended (the “General Indenture”), between the City and Zions Bancorporation, National Association, as trustee (the “Trustee”); (iv) a Tenth Supplemental Indenture of Trust dated as of September 1, 2023 (the “Tenth Supplemental Indenture” and together with the General Indenture, the “Indenture”) between the City and the Trustee; and (v) other applicable provisions of law.

The Series 2023 Bonds are being issued for the purpose of (a) financing improvements to the System, (b) [providing for a debt service reserve fund], and (c) paying certain costs associated with the issuance of the Series 2023 Bonds.

Security

The Series 2023 Bonds will be payable from and secured solely by a pledge and assignment of the Net Revenues from the System and moneys on deposit in the funds and accounts (other than the Rebate Fund and the Repair and Replacement Fund) held by the Trustee under the Indenture.

The Revenues of the System will be applied to pay the Operation and Maintenance Expenses of the System before being applied to pay principal of and interest on the Series 2023 Bonds. The Series 2023 Bonds will be special limited obligations of the City, payable solely from the Net Revenues of the System.

The Series 2023 Bonds will not be a general obligation of the City, the State of Utah (the “State”) or any agency, instrumentality or political subdivision thereof. Neither the faith and credit nor the taxing power of the City, the State or any agency, instrumentality or political subdivision thereof will be assigned or pledged for payment of the Series 2023 Bonds. The City will not mortgage or grant a security interest in the System, the Project, or any portion thereof to secure payment of the Series 2023 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” below.

[No debt service reserve fund is being funded with respect to the Series 2023 Bonds.]

The City has previously issued and has outstanding its (i) Water and Sewer Revenue Bonds, Series 2007C (the “Series 2007C Bonds”); (ii) Water and Sewer Revenue Refunding Bonds, Series 2012 (the “Series 2012 Bonds”); (iii) Water, Sewer, and Storm Water Revenue Refunding Bonds, Series 2016 (the “Series 2016 Bonds”); (iv) Water, Sewer, and Storm Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”) and (v) Water, Sewer, and Storm Water Revenue Refunding Bonds, Series 2020 (the “Series 2020 Bonds”). The Series 2007C Bonds, the Series 2012 Bonds, the Series 2016 Bonds, the Series 2018 Bonds and the Series 2020 Bonds are sometimes collectively referred to herein as the “Outstanding Parity Bonds.” As August 1, 2023, the Outstanding Parity Bonds are outstanding in the aggregate principal amount of \$17,716,000. The Outstanding Parity Bonds were issued pursuant to the terms of the General Indenture and are secured by the Net Revenues on a parity with the Series 2023 Bonds.

The City may issue Additional Bonds payable on a parity with the Series 2023 Bonds and the Outstanding Parity Bonds upon complying with certain requirements set forth in the Indenture. Such Additional Bonds together with the Series 2023 Bonds and the Outstanding Parity Bonds are sometimes collectively referred to herein as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Outstanding Parity Bonds—Additional Bonds” below.

[Bond Insurance]

[To be determined]

Redemption Provisions

The Series 2023 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See “THE SERIES 2023 BONDS—Redemption” below.

Registration, Denominations, Manner of Payment

The Series 2023 Bonds are issuable only as fully-registered Series 2023 Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository of the Series 2023 Bonds. Purchases of Series 2023 Bonds will be made in book-entry only form, 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.

So long as Cede & Co. is the registered Owner of the Series 2023 Bonds, as nominee of DTC, references herein and in the Indenture to the bondowners or registered Owners of the Series 2023 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2023 Bonds.

Principal of and interest on the Series 2023 Bonds (interest payable April 1 and October 1 of each year, commencing April 1, 2024) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners of the Series 2023 Bonds, initially Cede & Co., as nominee of DTC. See “THE SERIES 2023 BONDS—Book Entry Only System” below.

Transfer or Exchange

Except as described under “THE SERIES 2023 BONDS—Book-Entry Only System” below, in all cases in which the privilege of exchanging or transferring the Series 2023 Bonds is exercised, the City shall execute, and the Bond Registrar shall authenticate and deliver, the Series 2023 Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of the Series 2023 Bonds, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer of the Series 2023 Bonds, but may impose no other charge therefor.

The Bond Registrar, 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 (iv) at any time following the mailing of notice calling such Series 2023 Bond for redemption.

Tax-Exempt 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. The Series 2023 Bonds have/ have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. 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. Bond Counsel is also of the opinion that the interest on the Series 2023 Bonds is exempt from State of Utah individual income taxes.

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 [UNDERWRITER], as underwriter (the “Underwriter”) subject to the approval of legality by Gilmore & Bell, P.C.,

Bond Counsel to the City, and certain other conditions. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by the City Attorney. Lewis Young Robertson & Burningham, Inc. has served as municipal advisor to the City in connection with the issuance of the Series 2023 Bonds. See “LEGAL MATTERS” below. It is expected that the Series 2023 Bonds in book-entry form will be available for delivery on or about September 6, 2023.

Basic Documentation

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City, the System, 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 are qualified in their entirety by reference to such document, and references herein to the Series 2023 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the information with respect thereto included in the aforementioned document, copies of which are available for inspection at the principal office of the Trustee on or after the delivery of the Series 2023 Bonds. During the period of the offering of the Series 2023 Bonds, copies of the form of such document will be available from the “Contact Persons” as indicated below. Also see “APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE” below.

Contact Persons

The chief contact person for the City concerning the Series 2023 Bonds is:

Mariah Hill
Administrative Services Director
7505 South Holden Street
Midvale, Utah 84047
Telephone: (801) 567-7206
mhill@midvale.com

Additional requests for information may be directed to the City’s Municipal Advisor as follows:

Laura Lewis
Principal
Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
Telephone: (801) 596-0700
laura@lewisyoung.com

[BOND INSURANCE]

[Bond Insurance Policy]

[To be determined]

THE SERIES 2023 BONDS

General

The Series 2023 Bonds are dated the date of their initial delivery and, except as otherwise provided in the Indenture, shall bear interest from said date. Interest on the Series 2023 Bonds will be payable semiannually on April 1 and October 1 of each year commencing April 1, 2024. Interest on the Series 2023 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2023 Bonds will be issued as fully

registered Series 2023 Bonds, initially in book-entry form, in denominations of \$5,000 or any integral multiple thereof, not exceeding the amount of each maturity.

The Series 2023 Bonds shall bear interest at the rates and shall mature annually in each of the years as set forth inside the front cover of this Official Statement.

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. Neither the credit nor the taxing power of the City, the State or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2023 Bonds. The Series 2023 Bonds are not general obligations of the City or the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2023 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2023 Bonds.

Interest on the Series 2023 Bonds will be paid on each Interest Payment Date to the registered owner thereof (initially DTC) who is the registered owner at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) next 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 Series 2023 Bonds on such Regular Record Date, and may be paid to the registered owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such registered owner not less than ten days prior to such Special Record Date. The principal of and premium, if any, on the Series 2023 Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee. Interest shall be paid by check or draft mailed on each Interest Payment Date to the registered owner (initially DTC) of each of the Series 2023 Bonds as the name and address of such registered owner appear on the record date in the Register.

Redemption

Optional Redemption. [The Series 2023 Bonds maturing on or prior to October 1, 20____, are not subject to redemption prior to maturity. The Series 2023 Bonds maturing on or after October 1, 20____, are subject to redemption prior to maturity at the option of the City in whole or in part on any Business Day on and after October 1, 20____, at the redemption price of 100% of the principal amount of the Series 2023 Bonds to be redeemed plus accrued interest to the date of redemption (but without premium).

Mandatory Sinking Fund Redemption. The Series 2023 Bonds maturing on October 1, 20____, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund
Redemption Date
(October 1)

Mandatory Sinking Fund
Redemption Amount

*

* Final Maturity Date

Upon redemption of any Series 2023 Bonds maturing on October 1, 20____, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the respective Series 2023 Bonds maturing on October 1, 20____, in such order of mandatory sinking fund date as shall be directed by the City.]

Notice of Redemption. In the event any of the Series 2023 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2023 Bonds to be redeemed will be given by the Trustee, by mailing a copy of

the redemption notice by registered or certified mail not less than 30 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Series 2023 Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Series 2023 Bond with respect to which no such failure has occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. After the notice shall have been given, the City shall deposit with, or otherwise make available to, the Trustee the funds required for the redemption of the Series 2023 Bonds to be redeemed, including accrued interest to the redemption date, at least five days before the date fixed for such redemption. All Series 2023 Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit with the Trustee at that time.

If at the time of mailing of any notice of redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Series 2023 Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business five days prior to the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

Selection for Redemption. If fewer than all the Series 2023 Bonds are to be redeemed, the particular Series 2023 Bonds or portions of Series 2023 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. In case any Series 2023 Bond shall be redeemed in part only, upon the presentation of such Series 2023 Bond for such partial redemption the City shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the City, a Bond or Bonds of the same series, interest rate, and maturity, in aggregate principal amount equal to the unredeemed portion of such Series 2023 Bond. The portion of any Series 2023 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof and in selecting portions of such Series 2023 Bonds for redemption, each such Series 2023 Bond shall be treated as representing that number of Series 2023 Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Series 2023 Bonds by \$5,000.

Book-Entry Only System

The Series 2023 Bonds originally will be issued solely in book-entry form to The Depository Trust Company (“DTC”) or its nominee, Cede & Co., to be held in DTC’s book-entry only 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 or Holder 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 the denominations described above. For a description of the book-entry system for the Series 2023 Bonds, see “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

THE PROJECT

A portion of the proceeds of the Series 2023 Bonds will be used to finance the acquisition and construction of certain improvements to the System, including, but not limited to, any or all of fire suppression pipelines, pipe replacements and realignments, a new connection and wholesale meter vault, and other replacements and improvements to the Water Facilities.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated 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 Sources	\$

Uses of Funds

Deposit to Project Fund.....	\$
Costs of Issuance ⁽¹⁾	
Total Uses	\$

⁽¹⁾ Includes underwriter's discount, [insurance policy premium,] legal and Trustee fees and expenses, and other costs incurred in connection with the issuance of the Series 2023 Bonds.

(The remainder of this page intentionally left blank.)

DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements of the Series 2023 Bonds and the Outstanding Parity Bonds.

Payment Date	Series 2023 Bonds		Outstanding Total Principal and Interest	Parity Bonds ⁽¹⁾	Fiscal Total
	<u>Principal*</u>	<u>Interest</u>			
10/1/2023					
4/1/2024					
10/1/2024					
4/1/2025					
10/1/2025					
4/1/2026					
10/1/2026					
4/1/2027					
10/1/2027					
4/1/2028					
10/1/2028					
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10/1/2041					
4/1/2042					
10/1/2042					
4/1/2043					
10/1/2043					
4/01/2044					
10/1/2044					
4/1/2045					
10/1/2045					
4/1/2046					
10/1/2046					
4/1/2047					
10/1/2047					
4/1/2048					
10/1/2048					
4/01/2049					
Total					

⁽¹⁾ Includes principal and interest.

* Preliminary; subject to change.

(Source: The Municipal Advisor.)

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Series 2023 Bonds will be payable from and secured solely by a pledge and assignment of the Net Revenues from the System and moneys on deposit in the funds and accounts (other than the Rebate Fund and the Repair and Replacement Fund) held by the Trustee under the Indenture. The Series 2023 Bonds will be special limited obligations of the City, payable solely from the Net Revenues of the System. Neither the credit nor the taxing power of the City or the State or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2023 Bonds. The Series 2023 Bonds are not general obligations of the City, the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2023 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2023 Bonds.

[No] Debt Service Reserve Fund

[No Debt Service Reserve Fund will be funded with respect to the Series 2023 Bonds.]

Rate Covenant

The City covenants in the Indenture that while any of the principal and interest payments on the Series 2023 Bonds are outstanding, or any Reserve Instrument Repayment Obligations are outstanding, the rates and fees for all services supplied by the System to the City and to its inhabitants and to all customers of the City with respect to the System within or without the boundaries of the City will be sufficient (i) to pay the System's Operation and Maintenance Expenses and (ii) to provide for each Bond Fund Year Net Revenues in an amount not less than 125% of the Aggregate Annual Debt Service Requirement for the forthcoming Bond Fund Year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture, or if a Reserve Instrument shall be in effect with respect to any outstanding Bonds, the Reserve Instrument Repayment Obligations which the City anticipates will be due and payable for the forthcoming Bond Fund Year, provided that such rates must be reasonable rates for the type, kind, and character of the services rendered. The City agrees that should its annual financial statement made in accordance with the provisions of the Indenture disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the above requirement, the City shall request that a Qualified Engineer make recommendations as to the revision of the rates, charges and fees and that the City on the basis of such recommendations will revise the schedule of rates, charges and fees insofar as is practicable and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues as required in the Indenture.

Flow of Funds

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

- (i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized

interest on deposit with the Trustee to pay interest on the Bonds next coming due, the City need not transfer moneys to the Trustee to pay interest on the Bonds); plus

(ii) the Principal and premium, if any, falling due on the next succeeding Interest Payment Date established for the Bonds; plus

(iii) the Sinking Fund Installment, if any, falling due on the next succeeding 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 Interest Payment Date as the same become due and payable.

As a third charge and lien on the Net Revenues (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 account(s) 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 moneys shall have been withdrawn from an account in the Debt Service Reserve Fund or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, moneys 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 (ii) below) of remaining Net Revenues if less than the full amount necessary; and

(ii) Equally and ratably to the account(s) of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect, such amount or a ratable portion (based on the amount to be transferred pursuant to (i) above) if less than the full amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, 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, the City 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 from time to time, the City shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues of the System after payments required above have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. This provision is not intended to limit, and shall not limit, the right of the City to deposit additional moneys in the Repair and Replacement Fund from time to time as the City may determine.

The Net Revenues remaining after the foregoing deposits and transfers and not required to be used for remedying any deficiencies in payments previously made into the funds established in the Indenture, may be used at any time for any of the following:

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

Outstanding Parity Bonds

The City issued the Outstanding Parity Bonds to finance improvements to the System. As of August 1, 2023, the Outstanding Parity Bonds are outstanding in the aggregate principal amount of \$17,716,000. The Outstanding Parity Bonds were issued pursuant to the terms of the General Indenture and are secured by Net Revenues on a parity with the Series 2023 Bonds.

Additional Bonds

No additional indebtedness, Bonds or notes of the City payable on a priority to the pledge of Net Revenues for the payment of the Series 2023 Bonds and the Outstanding Parity 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 and the Outstanding Parity Bonds out of Net Revenues shall be created or incurred, unless the requirements of the Indenture have been satisfied. See “APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE—The Bonds” for a list of the various requirements that need to be satisfied. The City currently has no plans to issue Additional Bonds within the next three years, but reserves the right to do so as its capital and debt structuring needs require.

MIDVALE CITY

General

The City was incorporated in 1909 and covers an area of approximately six square miles within Salt Lake County, Utah (the “County”). The City is located approximately 10 miles south of Salt Lake City, Utah, on Interstate 15 in the middle of the Salt Lake Valley. The U.S. Census Bureau estimated the City’s 2022 population to be 35,637. Persons living in the City have the advantages of living within the greater Salt Lake City metropolitan area with the concomitant industrial, commercial, educational, professional and cultural opportunities of a regional metropolitan center.

Form of Government

Utah statutes detail the functions to be performed by Utah municipalities. The City is organized under general law and governed by a mayor and five councilmembers elected for staggered four-year terms. The mayor presides over all meetings but casts no vote in the council except in the event of a tie, when appointing or dismissing a municipal manager, and on an ordinance that enlarges or restricts the mayor’s powers, duties, or functions.

Department heads are full-time employees of the City and responsible for day-to-day operations within the policy framework of the governing body. They report to the mayor and council or their designee, currently the City Manager.

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Current members serving as Mayor, City Council and officers of the City and their respective years of service in their current position are as follows:

<u>Office</u>	<u>Person</u>	<u>Years in Service</u>	<u>Expiration of Term</u>
Mayor	Marcus Stevenson	1	January 2026
Councilmember	Bryant Brown	5	January 2026
Councilmember	Dustin Gettel	5	January 2026
Councilmember	Paul Glover	19	January 2024
Councilmember	Quinn Sperry	7	January 2024
Councilmember	Heidi Robinson	3	January 2024
City Manager	Matt Dahl	6	Appointed
Administrative Services Director	Mariah Hill	2	Appointed
Treasurer	Karen Kester	1	Appointed
City Attorney	Garrett Wilcox	6	Appointed
City Recorder	Rori Andreason	19	Appointed
Public Works Director	Glen Kennedy	5	Appointed
City Engineer	Keith Ludwig	24	Appointed
Public Works Director	Glen Kennedy	5	Appointed

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.

The City provides the following services: police protection, planning and engineering, code enforcement, street maintenance, traffic control, parks operation and maintenance, trails and recreation services, community development, general administrative services, storm water utility, water and sewer, emergency medical services and solid waste services. Fire service for the City is provided by Unified Fire Service Area, a separate taxing entity.

Employee Workforce and Retirement System

The City employs approximately 83 full-time and 3 part-time employees. The City is a member of the Utah State Retirement Systems and participates in a deferred compensation plan. See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022—Notes to the Financial Statements—Note 4: Detailed Notes for All Funds, Employee Retirement Systems and Pension Plans” herein.

The City records a liability and expense equal to its proportionate share of the collective net pension liability and expense of the Systems. More information regarding this standard can be found in Note 10, “Retirement Plan,” of the City’s audited financial statements. See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022.”

Other Post-Employment Benefits

The City has conducted an investigation and has determined that it currently does not have any post-employment benefit liabilities.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The City is a member agency in the Utah Local Government Insurance Trust (the “Trust”), a public entity risk pool to manage its risk of loss. The City pays an annual premium to the Trust for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. As of June 30, 2022, there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending

June 30, 2022, which exceeded its insurance coverage. See “APPENDIX A— AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022—Notes to the Financial Statements. 4. Detailed Notes for All Funds, Risk Management” herein.

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

The City is currently complying with all of the provisions of the MM Act for all City operating funds. As of fiscal year end June 30, 2022, approximately 80% of City funds are invested in the Utah Public Treasurers’ Investment Fund (“PTIF”), as discussed below. Approximately 13% is invested with Moreton Asset Management, LLC, an SEC registered investment advisor listed as a certified investment advisor by the Utah Money Management Council. The remaining funds are held by a trustee in a money market mutual fund and in an overnight international sweep account.

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.

[Moreton Asset Management, LLC. Moreton Asset Management is an SEC registered investment advisory firm and also appears on the certified investment advisor list by the MM Council. Some employees of Moreton Asset Management, LLC are also registered representatives of Moreton Capital Markets, LLC; a broker/dealer affiliate of Moreton Asset Management. Moreton Capital Markets, LLC appears on the certified dealer list of the MM Council.]

As with the PTIF, all investments managed by Moreton Asset Management must comply with the MM Act and rules of the MM Council. Securities in the City's portfolio are registered in the name of the City, are held by a third-party custodian, and include corporate bonds, U.S. government bonds, and Agency bonds. The maximum final maturity of any security purchased does not exceed five years. Securities purchased are coordinated to mature with ongoing cash expenditures of the city. Nationally recognized credit rating agencies have ratings issued on the investments that range from AA+ to BBB+.

See "APPENDIX A— AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022—Notes to the Financial Statements—4. Detailed Notes for All Funds, *Cash and Investments*."

THE SYSTEM

General

The System consists of the Water Facilities, the Sewer Facilities, and the Storm Water Facilities. The System is owned and operated by the City. The Water Facilities, the Sewer Facilities, and the Storm Water Facilities are considered one "System" under the Indenture.

[With the exception of approximately 40 connections in the Union Park area of the City, water is currently supplied to the City by three distribution networks, one of which is served by connections with the Jordan Valley Water Conservancy District ("JVWCD"). The City will manage 99.5% of all water distribution networks within City boundaries and the Water Facilities will provide service to approximately 560 additional customers.] [*update to come*]

The Sewer Facilities only serve a portion of the City (about 49% of the area within City boundaries). Midvalley Improvement District, Cottonwood Improvement District and Sandy Suburban Improvement District provide sewer service to approximately 14,500, 4,400, and 2,500 City residents, respectively.

The City anticipates that the System will continue to expand in the future to include an area known as "Jordan Bluffs." The City expects that completion of this development will add commercial and retail development, as well as 2,100 residents that will be serviced by the System. However, the City cannot predict with certainty when and if such development will occur.

The Water Facilities

General. The Water Facilities are comprised of approximately 104 miles of transmission lines, two water storage tanks that have an aggregate capacity of 6.5 million gallons, and three wells. The age of the distribution system varies from one year to approximately 50 years. On the average, the Water Facilities are approximately 35 years old and have a useful life of approximately 50 years. The Water Facilities are comprised of three pressure zones. The City presently purchases approximately 52% of its water and produces the remaining 48% from wells that the City owns. The City delivers the water to the various pressure zones and the water storage tanks serving the zones.

Sources and Supplies of Water. The City currently receives approximately 52% of its water from the JVWCD pursuant to a Water Purchase Agreement dated as of June 5, 2019, as amended (the "Jordan Valley Water Purchase Agreement"), between the City and JVWCD. Pursuant to the Jordan Valley Water Purchase Agreement, JVWCD agrees to sell and deliver and the City agrees to buy a minimum 3,085 acre-feet (AF) of water annually. Although the

term of the Jordan Valley Water Purchase Agreement is perpetual in nature, the parties have the right to amend or terminate the Jordan Valley Water Purchase Agreement at any time upon their mutual, written consent.

The City has the right to purchase more water than the volume amounts set forth above. However, the City cannot increase its annual demand above the allocated amount by more than twenty percent of the City's allocation annually, without first receiving express consent from JVVCD. The City currently pays \$523.68 per AF for all water delivered to the City. In addition, the City must pay a flat meter fee based on meter size for each wholesale meter actively serving the City, regardless of the amount of water delivered to the City. The current flat charges, based upon current meter sizes, total \$810 per month. All amounts are billed monthly and are due within 30 days.

JVVCD is primarily a wholesale provider of water to ten cities (including the City), two water companies, five improvement districts, two additional wholesale users, and JVVCD contracts with four other agencies not within JVVCD service boundaries. JVVCD obtains its water from a variety of sources. It has firm contracts with several irrigation companies holding water rights in southeast Salt Lake County, purchases water from the Central Utah Water Conservancy District, purchases surplus water from Metropolitan Water District of Salt Lake and Sandy, and pumps its own wells and springs.

JVVCD has always met the water demands of the City and has never failed to deliver water when requested. The quality of water delivered by JVVCD, as well as the water produced by the City is monitored by the State Health Department through periodic sampling and meets all state and federal water quality standards.

The table below sets forth the amount of water purchased from JVVCD and Sandy City and the rates and charges paid for the years shown. The City notes that it phased out water purchases from Sandy City in fiscal year 2018-2019 and currently sources its water from solely from JVVCD and the City's own wells. Due to this phase out and the JVVCD Retail Area Acquisition Project, City purchases of water from JVVCD have increased to meet the City's water demands.

Fiscal Year	JVVCD		Sandy City	
	Water Purchased (af)	Cost of Purchased Summer/Winter Water (\$/af)	Water Purchased (af)	Cost of Purchased Summer/Winter Water (\$/af)
2012-2013	150	\$360.76/288.61	2,177.2	\$442/223
2013-2014	150	380.48/304.38	1,967.1	332/332
2014-2015	150	412.08/329.66	1,915.7	360/360
2015-2016	150	420.30/336.24	1,972.3	388/388
2016-2017	150	416.99/333.59	1,904.2	388/388
2017-2018	229	425.95/340.76	1,922	388/388
2018-2019	1,048	377.46/377.46	967.8	397/397
2019-2020	3,512	381.05/381.05	—	—
2020-2021	3,253	413.81/413.81	—	—
2021-2022	2,760	449.14/449.14	—	—
2022-2023	2,937 ⁽¹⁾	501.34/501.34	—	—

⁽¹⁾ Preliminary; subject to change (does not include June 2023 purchase amount).
(Source: The City)

The City also owns wells which produce approximately 63% of the water supply for the Water Facilities. The acquisition and development of these wells was financed in part with the proceeds of bonds previously issued by the City. The City's active wells are described below. The City has two other wells which have been inactive since 2010.

Hancock Well. This well is located at 950 East 8800 South in Sandy, Utah. The well produces approximately 2.23 cubic feet per second ("cfs").

Million Gallon Reservoir Well. This well is located at 950 East 8800 South in Sandy, Utah. The well produces approximately 4.68 cfs.

Oak Street Well. This well is located at 7967 South Oak Street in Midvale. The well produces approximately 2.23 cfs.

Water Rights, Licenses, Permits, Approvals and Environmental Considerations. The City has obtained all necessary state and local licenses, permits and approvals to operate the Water Facilities.

Environmental Matters. The City reports that the Water Facilities are currently in compliance with the provisions of all environmental laws and regulations applicable to its operations, including, but not limited to, the Safe Drinking Water Act of 1986 and the Utah Safe Drinking Water Act and laws and regulations applicable to disposal of solid and hazardous waste. The Water Facilities also are in compliance with all environmental, health and safety laws and regulations applicable to the use and disposal of chemicals used by the Water Facilities to make water drinkable.

Water Connections. The following table shows the number of water connections for the years shown:

Calendar Year	Residential	Commercial/ Industrial	Water Connections	Percentage Increase
2013	5,705	1,086	6,791	1.4%
2014	5,885	1,180	7,065	4.0
2015	5,995	1,147	7,142	1.1
2016	6,056	1,225	7,281	1.9
2017	6,084	1,301	7,385	1.4
2018	6,082	1,268	7,350	(0.5)
2019	6,528	1,279	7,807	6.2
2020	6,574	1,405	7,979	2.2
2021	6,550	1,479	8,029	0.6
2022	6,908	1,492	8,400	4.6

(Source: The City.)

Water Usage. The following tables set forth the water usage by amounts consumed and billed of the City for the years shown:

Fiscal Year	Water Consumed (a/f)	Water Billed (a/f)	Percentage Billed
2014	5,080	4,671	91.9%
2015	5,355	5,048	94.3
2016	5,357	5,106	95.3
2017	5,664	4,939	87.2
2018	6,113	5,246	85.8
2019	5,660	4,223	74.6
2020	6,908	6,629	96.0
2021	5,948	5,392	90.6
2022	5,902	5,194	87.7

(Source: The City.)

Major Water Users. The major users of the Water Facilities for the fiscal year 2022 are set forth on the following table:

<u>Name of User</u>	<u>Revenues</u>	<u>% of Total Revenues</u>
Canyons School District (Midvale Middle School)	\$88,200	1.6%
Springs of Country Woods ()	74,046	1.4
Wasatch Advantage Group (apartments)	71,297	1.3
FIC Brighton LLC (apartments)	65,054	1.2
Royal Ridge Apartments (apartments)	51,051	0.9
Remington Holdings (apartments)	50,722	0.9
JB1 Holdings LLC (apartments)	47,564	0.9
River Meadows, LLC (apartments)	46,112	0.8
Candlestick Lane Apartments (apartments)	45,651	0.8
Wasatch Club (apartments)	43,955	0.8
Midvale City (city government)	39,651	0.7
Fort Union Shopping Center, LLC (shopping center)	<u>34,396</u>	<u>0.6</u>
Total	<u>\$657,699</u>	<u>11.9%</u>

(Source: The City.)

Water Rates. The City has differing rates for its three service areas. Service Area 1 is the original pre-annexation City boundaries, roughly State Street to 700 West. Service Area 2 is the western area of the City, formerly undeveloped sites (Jordan Bluffs and Bingham Junction). Service Area 3 is the eastern area of the City, served by Sandy City until June of 2009. Service Areas 1 and 2 use water produced by City wells and purchased from JVWCD. Service Area 3 uses water purchased from JVWCD. In 2021, the City Council adopted a resolution setting a five-year rate increase plan which anticipates all three service areas having the same rates by fiscal year 2026.

In 2021, the City established a tiered system of water usage fees based on water consumption. Customers are billed a base fee based on service area for a connection plus a usage fee for any and all water consumed. A lifeline discount of 45% is available to customers on the base fee if they qualify for the Salt Lake County Circuit Breaker property tax relief (referred to above as "Circuit Breaker"). Fireline service is an additional \$10.15 per month.

BASE RATES

<u>Meter size</u>	<u>Area #1</u>	<u>Area #2</u>	<u>Area #3</u>
3/4"	\$24.46	\$25.81	\$26.34
1"	34.24	36.12	36.87
1.5"	44.03	46.46	47.42
2"	70.91	74.81	76.36
3"	268.97	268.97	289.63
4"	342.32	342.32	368.61
6"	513.51	513.51	552.95
8"	709.38	709.38	763.86

WATER CONSUMPTION TIERS
(All Areas)
(Per Thousand Gallons)

<i>Meter Size</i>	<u>Tier 1</u>	<u>Tier 2</u>		<u>Tier 3</u>		<u>Tier 4</u>	
	<u>Max.⁽¹⁾</u>	<u>Min.⁽¹⁾</u>	<u>Max.⁽¹⁾</u>	<u>Min.⁽¹⁾</u>	<u>Max.⁽¹⁾</u>	<u>Min.⁽¹⁾</u>	<u>Max.⁽¹⁾</u>
3/4"	12.0	12.1	55.0	55.1	98.0	98.1	<i>None</i>
1"	20.0	20.1	92.0	92.1	164.0	164.1	<i>None</i>
1.5"	40.0	40.1	183.0	183.1	326.0	326.1	<i>None</i>
2"	64.0	64.1	293.0	293.1	522.0	522.1	<i>None</i>
3"	120.0	120.1	550.0	550.1	980.0	980.1	<i>None</i>
4"	240.0	240.1	1,100.0	1,100.1	1,960.0	1,960.1	<i>None</i>
6"	500.0	500.1	2,292.0	2,292.1	4,084.0	4,084.1	<i>None</i>
8"	640.0	640.1	2,933.0	2,933.1	5,226.0	5,226.1	<i>None</i>

⁽¹⁾ "Max." is maximum amount of water usage allowed for that tier. "Min." is minimum usage for that tier.

The following chart lists the comparable monthly water bills during the peak period (June to September) and the off-peak period (October – May) in 2022 for various local governmental entities within Salt Lake County.

Comparable Monthly Water Bills

<u>City/Area</u>	<u>Peak Use (24,000 Gallons)</u>	<u>Off- Peak Use (11,000 Gallons)</u>
Draper	\$124.14	\$63.58
Salt Lake County	110.07	54.27
Riverton	118.45	67.62
Salt Lake City	81.37	40.13
South Jordan	79.75	53.25
Herriman	78.09	50.66
Sandy - SLC Residents	68.16	35.82
Bluffdale	86.40	42.80
West Jordan	99.74	51.38
Midvale - SA #3	72.54	45.15
Sandy	76.47	43.45
Midvale - SA #2	72.01	44.62
Jordan Valley	69.52	26.00
South Salt Lake	67.00	37.75
Midvale - SA #1	70.66	43.27
Murray	58.76	32.11

(Source: The City.)

Construction Water Use. A meter will be supplied by the City for construction purposes upon receipt of a meter deposit (currently \$1,550). The water user will be charged at the rate of \$3.50 per thousand gallons of metered water taken through a fire hydrant. No fire department will be charged for water taken in furtherance of efforts to protect persons or property or to otherwise carry out normal operations of the fire department.

The City also charges connection and meter fees for connecting to the Water Facilities. The connection fee is the cost of placing a water line and the meter fees are for purchasing and place a water line. The connection fee cannot be higher than the fee justified by a connection fee analysis. The following table shows the range of fees for single family residences charged by the City.

<u>Type</u>	<u>Fee</u>	<u>Description</u>
¾" Meter Fee	\$1,660	City Installed
1" Meter Fee	1,970	City Installed

1 ½" & up Meter Fee	180	Inspection Fee
Fire Service	cost of meter + \$200 inspection fee	Inspection Fee
¾" or 1" Connection Fee	4,700	City installed on City road
¾" or 1" Connection Fee	68,000	City installed on UDOT road
1 ½" & up Connection Fee	cost of labor, equipment, & parts	City installed

(Source: The City)

The Sewer Facilities

General. The Sewer Facilities presently consist of approximately 45 miles of 8-inch to 27-inch interceptors and collectors. All of the City's wastewater is treated by the South Valley Water Reclamation Facility (SVWRF). The City currently owns 6.16% capacity rights in the SVWRF, or 3.08 MGD. SVWRF has the capacity to treat flows up to 50 million gallons per day ("MGD"). The SVWRF is currently operating at [38%] of its rated capacity.

South Valley Water Reclamation Facility. The City has entered into an interlocal agreement (the "Interlocal Agreement") with four other local governmental entities in order to form an entity known as the South Valley Water Reclamation Facility (SVWRF). SVWRF was formed for the purpose of constructing, operating and maintaining a regional sewage treatment facility. Each of the entities that is a party to the Interlocal Agreement has capacity rights in the SVWRF. Currently, the City has 6.16% of the facility's capacity rights, or 3.08 MGD. All operating and capital expenditures of SVWRF are billed to each of the entities based upon the entities utilization. Such payments to the South Valley Facility are operational expenses of the individual entity. The Interlocal Agreement has a term of 50 years from the date of last amendment, with the latest amendment occurring in March 2014.

Service Connections. The following table sets forth the actual number of service connections and flows to the Sewer Facilities for the years shown:

Calendar Year	Residential	Commercial/ Industrial	Total Connections	Percent Change from Prior Year	Peak Daily Flows (MGD)	Average Daily Flows (MGD)
2012	2,027	563	2,590	3.6	1.12	0.74
2013	2,099	579	2,678	3.4	1.01	0.70
2014	2,027	492	2,789	4.1	1.34	0.91
2015	2,307	559	2,866	2.8	1.10	0.96
2016	2,348	591	2,939	1.0	1.09	0.95
2017	2,370	601	2,971	1.1	1.10	0.96
2018	2,381	603	2,984	0.4	1.04	0.98
2019	2,371	616	2,987	0.1	1.03	1.05
2020	2,373	627	3,000	0.4	1.05	1.07
2021	2,363	644	3,007	0.2	1.30	1.30
2022	2,563	634	3,197	6.3	1.32	1.23

(Source: The City.)

Major Users of the Sewer Facilities. The following table sets forth the largest users of the Sewer Facilities and the approximate revenues derived by the City from sewer services to those users for the [fiscal year 2022]:

<u>Name of User</u>	<u>Revenues</u>	<u>Percent of Total</u>
Wasatch Advantage Group (apartments)	\$186,635	6.1%
JB1 Holdings, LLC (apartments)	125,273	4.1
River Meadows (apartments)	105,955	3.5
JF Union Partners, LLC (apartments)	60,240	2.0
Napean Capital Group, LLC	26,553	1.8
Talavera at the Junction (apartments)	53,530	1.7
Jordan Bluffs Holdings LLC (_____)	51,255	1.7
KB Midvale Hotel LLC (hotel)	40,192	1.3
Calaveras Apartments (apartments)	40,120	1.3
Smith, Derald (_____)	38,185	1.2
Station at Midvale LLC (apartments)	34,938	1.1
Canyon Crossing at Riverwalk (_____)	<u>34,023</u>	<u>1.1</u>
Total	\$796,899	26.9%

(Source: The City.)

Sewer Facilities Rates and Charges. Residential, commercial and industrial customers pay a base rate plus a usage fee per 1,000 gallons of average winter water usage. A summary of the sewer rates is shown below.

	<u>Rate/Fee</u>
Single Dwelling	
Base fee	\$32.05
Usage fee per 1,000 gallons of average winter water usage	2.69
Multi-Dwelling	
Base fee – First Unit	32.05
Additional Unit (Each)	26.64
Usage fee per 1,000 gallons of average winter water usage	2.69

Current sewer connection fees for sewer service are as follows:

<u>Type</u>	<u>Fee</u>
<i>4" Connection</i>	
First Unit	\$500
Second Unit	200
<i>6" Connection</i>	
First Unit	700
Second Unit	200

Sewer Rate Comparison. The following chart lists the comparable average monthly sewer bills for 2022, based on 11,000 gallons of water used for various local governmental entities within Salt Lake County.

Comparable Sewer Bills

<u>City/Area</u>	<u>Monthly Bill</u>
South Salt Lake	\$110.00
<i>Midvale</i>	<i>61.64</i>
West Jordan	54.11
Murray	67.58
South Valley Sewer District	25.00
Granger-Hunter Improvement District	32.00
Salt Lake City	47.20
Cottonwood Improvement District	20.00
Midvalley Improvement District	27.90

(Source: The City.)

Required Permits. A Utah Pollution Discharge Elimination System Permit (the “UPDES Permit”) is required in order to operate the SVWRF. [While the SVWRF permit expired in February of 2015, SVWRF is waiting on the state for issuance of a new permit.] The State’s Division of Water Quality is still finalizing compliance requirements for all sewer treatment facilities in Utah. SVWRF is generally aware of what those requirements are and is currently in compliance.

The Storm Water Facilities

Description. The Storm Water Facilities consists of approximately 64 miles of piped and open channels. Of those 64 miles, approximately 30% of storm water is conveyed through open channels that are shared with irrigation water for a period of five to six months each year. System pipe sizes range from 12” to 54” in diameter, with the majority of the piping averaging 24” in diameter. The Storm Water Facilities include four detention areas, one of which is a multi-use facility with turf grass that can be used by the public for recreation. All storm water is conveyed by gravity through the Storm Water Facilities to the receiving waters, which include the East Jordan Canal, Salt Lake and Jordan Canals, Little Cottonwood Creek, and the Jordan River, which is down-gradient and runs along the entire west boundary of the City.

Rates. The City currently imposes a rate of \$9 per residence (ERU = 3,000 square feet) for services provided by the Storm Water Facilities. Commercial properties are calculated based on the amount of impervious surface area divided by 3,000 resulting in the number of ERUs it is assessed.

Historical Storm Water Facilities Rates. The following table sets forth the rates for the Storm Water Facilities for the years shown. Rates are based on an Equivalent Residential Unit (“ERU”) basis. An ERU is equal to 3,000 square feet of impervious surface area. This is based on an average single family residential parcel, which has an impervious surface of 3,000 square feet.

<u>Fiscal Year</u>	<u>Rate</u>
2023	\$9.00
2022	9.00
2021	9.00
2020	8.00
2019	8.00
2018	8.00
2017	8.00
2016	7.62
2015	7.62
2014	5.08

(Source: The City.)

Storm Water Rate Comparison. The following table sets forth a comparison of storm water rates in 2022 for the City and certain other State municipalities.

Monthly Storm Water Rate Comparison

<u>City</u>	<u>Charge per ERU</u>
Draper	7.00
Midvale	9.00
South Jordan	8.03
Sandy	6.00
Riverton	1.05
Bluffdale	6.25
Murray	8.25
West Jordan	6.34
West Valley City	6.00

(Source: The City.)

Largest Payers. The following table sets forth the largest payers of the fees charged for the services provided by the Storm Water Facilities for the [fiscal] year 2022.

Largest Payers of the Storm Water Facilities

<u>Entity</u>	<u>Type of Entity</u>	<u>ERU's</u>	<u>Revenue</u>	<u>% of Total Revenue</u>
Intermountain Healthcare	Commercial	277.26	\$29,944	2.3%
Salt Lake County Public Works	Governmental	263.59	28,468	2.1
Overstock.com	Commercial	206.47	22,299	1.7
Wasatch Advantage Group	Apartments	181.00	19,548	1.5
JB1 Holdings, LLC	Apartments	145.72	15,738	1.2
Top Golf	Commercial	142.75	15,417	1.2
Wasatch Club Apartments	Apartments	135.60	14,645	1.1
Remington Holdings	Apartments	125.40	13,543	1.0
Canyons School District	School	122.61	13,242	1.0
Winco Foods	Retail	120.80	13,046	1.0

(Source: The City.)

Enforcement of Rates and Charges

The City Council has adopted rules and regulations (the "City Regulations"). The City Regulations include a mandatory connection policy for each of the City's service areas. The mandatory connection policy requires the owner of any property used for human occupancy, employment, recreation or other purposes which is situated within the City's service areas to connect with the System and requires the construction of appropriate water and sewer facilities by residential developers.

Connection, Billing and Collection Procedures

Pursuant to the City's mandatory connection policy, connection to the System is required. Connection fees are due when the building permit is secured.

Virtually all of the City's water customers are metered; meters are read monthly by the City. If for whatever reason a meter reading is not obtained, water usage is estimated and an appropriate adjustment is made in the bill when an accurate reading is available.

Bills for service charges are rendered monthly and are due when rendered. Customers are sent one bill including charges for all City utilities. Bills are delinquent when unpaid after approximately thirty days, at which time a 5% late charge is assessed. If payment is not made by the 60th day, service may be discontinued and a fee of \$50 charged before service is resumed. Billings are prepared each month and sent via regular mail unless the paperless option is selected by the resident. Payment is due by the due date each month.

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HISTORICAL OPERATIONS AND PRO FORMA DEBT SERVICE COVERAGE

The following table sets forth the historical and pro forma operations of the System and the projected debt service coverage for the Series 2023 Bonds and the Outstanding Parity Bonds with regard to the System for the fiscal years ending June 30 shown below:

[updated version to come]

* Assumes the issuance of the Series 2023 Bonds.

(1) [This section shows the anticipated revenues, expenditures and change in debt service coverage with the addition of the JVWCD Retail Area Acquisition Project. As indicated by the increase in revenues and expenditures from fiscal year 2020 to fiscal year 2021, the City anticipates that approximately half of the new customers will be added in fiscal year 2020 and the remaining half in fiscal year 2021.]

(Source: The City and the Municipal Advisor.)

DEBT STRUCTURE OF THE CITY

Outstanding Municipal Debt of the City (as of August 1, 2023)

Water, Sewer, and Storm Water Revenue Bonds

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2007C	System Improvements	\$5,050,000	October 1, 2029	\$1,999,000
2012	Refunding	1,537,000	April 1, 2027	475,000
2016	Refunding	4,490,000	October 1, 2032	3,270,000
2018	System Improvements	6,225,000	October 1, 2043	5,470,000
2020	Refunding	8,175,000	October 1, 2030	6,502,000
2023 ⁽¹⁾	System Improvements	9,685,000*	October 1, 2048*	<u>9,685,000*</u>
Total				<u>\$27,401,000*</u>

⁽¹⁾ For purposes of this Official Statement the Series 2023 Bonds will be considered outstanding.

* Preliminary: subject to change.

Sales Tax Revenue Bonds⁽¹⁾

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Principal Balance Outstanding</u>
2017	Roads	\$8,340,000	May 1, 2032	<u>\$5,775,000</u>

⁽¹⁾ The City has a contingent obligation from a subordinate pledge of the sales and use tax revenues for UTOPIA; see "Other Obligations" below.

Outstanding Lease Revenue Bonds⁽¹⁾

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2012	City Hall/Street Lighting	\$8,990,000	October 15, 2038	<u>\$5,155,000</u>

⁽¹⁾ The Municipal Building Authority of Midvale City, Utah (the "Authority"), was created to acquire projects for the City pursuant to the Utah Municipal Building Authority Act. The Authority has no assets, except for those purchased with the lease revenue bonds described above. The Authority's debt does not constitute legal debt within the meaning of any constitutional or statutory limitation of the City. The Authority entered into an annual lease with the City that may be terminated by the City in any year and lease payments by the City may be made only from funds that are annually budgeted and appropriated by the City for such purposes. The lease revenue bonds of the Authority are secured by an assignment of the City's lease payments and a security interest in the project financed by such bonds.

Outstanding Debt of the Redevelopment Agency of the City

The Redevelopment Agency of Midvale City, Utah (the “Agency”) was established to further public purposes in the redevelopment of certain City areas. The Agency’s debt does not constitute legal debt within the meaning of any constitutional provision or statutory limitation of the City. The Agency has the following bonds outstanding as of August 1, 2023:

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Current Balance Outstanding</u>
2015 ⁽¹⁾	Gardner Parking Structure	\$12,961,000	May 1, 2034	\$9,094,000
2017	Refunding	17,670,000	May 1, 2034	14,775,000
2018 ⁽²⁾	Developer Reimbursements	7,570,000	May 1, 2031	<u>6,355,000</u>
Total				<u>\$30,224,000</u>

(1) These bonds are payable from and secured by tax increment revenues from a “sub-project area” of the Agency, but are additionally secured by a subordinate lien on certain tax increment revenues.

(2) These bonds are additionally secured by a subordinate lien on the City’s sales tax revenues.

Other Obligations

The City, along with certain other State municipalities (collectively, the “Members”), has entered into an Interlocal Cooperative Agreement (the “UTOPIA Interlocal Agreement”) pursuant to which the Members formed the Utah Telecommunication Open Infrastructure Agency (“UTOPIA”). UTOPIA has undertaken the construction of a fiber optic telecommunications network that provides high-speed broadband voice, video and data access to certain of its Members (the “Pledging Members”) that have entered into Pledge and Loan Agreements with UTOPIA (the “UTOPIA Pledge Agreements”). Pursuant to the UTOPIA Pledge Agreements, the Pledging Members have agreed to transfer to UTOPIA a portion of such Pledging Members’ sales and use taxes to provide a source of payment for certain bonds issued by UTOPIA. In December 2011, UTOPIA issued such bonds in the aggregate principal amount of \$185,000,000 (the “UTOPIA Bonds”) (a portion of these proceeds were used to refund its prior series of bonds). Each UTOPIA Pledge Agreement provides that the Pledging Members’ obligation to make such transfer is limited to a certain annual maximum amount. The maximum amount of pledged sales tax revenues committed by the City for the year ended June 30, 2023 is \$949,230.90, with a 2% increase per year through 2040 (to a maximum amount of \$1,329,152.42).

The City has a contingent liability in connection with its participation in the Utah Infrastructure Agency (the “UIA Obligation”). The UIA Obligation is payable from franchise tax revenues received by the City. The maximum annual amount of the UIA Obligation is \$339,988.

Future Debt Plans

The City does not have any plans to issue Additional Bonds within the next three years. The City anticipates issuing approximately \$11.2 million in general obligation bonds within the next three years, subject to the approval of City voters in the November 2023 general election.

No Defaulted Bonds

The City has never failed to pay principal and interest when due on its outstanding bonded indebtedness or any other obligations nor has it ever failed to appropriate moneys with respect to its lease obligations.

FINANCIAL INFORMATION REGARDING THE CITY

Fund Structure; Accounting Basis

The City prepares its government-wide financial statements based on proprietary fund accounting. All assets, liabilities and equity are recorded on the City’s balance sheet using full accrual accounting. All capital assets,

including infrastructure, are capitalized and depreciated. Equity is comprised of contributed capital and retained earnings. The City prepares its governmental funds financial statements based on current financial resources measurement focus and the modified accrual basis of accounting.

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

Budget and Appropriation Process

The budget and appropriation process of the City is governed by State law (the "Fiscal Procedures Act"). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the proprietary fund. The budget is to provide a complete financial plan for the budget (ensuing fiscal) year. The budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures.

On or before the first regularly scheduled meeting of the City Council in May of each year, the budget officer is required to submit to the Council the tentative budget for the fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budget. The budget officer may revise the budget requests submitted by the heads of City departments, but must file these submissions with the Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the available revenue from non-property tax sources and the revenue from general property taxes. The tentative budget is then tentatively adopted by the Council, with any amendments or revisions that the Council deems advisable prior to the public hearing on the tentative budget. If the tax rate in the proposed budget exceeds the "certified tax rate," the Council shall comply with the Property Tax Act, Chapter 2, Title 59, Utah Code Annotated 1953, as amended (the "Property Tax Act") in adopting the budget. After public notice and hearing the tentative budget is adopted by the Council, subject to further amendment or revisions by the Council prior to adoption of the final budget.

On or before June 30 in each year or, in the case of a property tax increase under the Property Tax Act, September 1, the final budget is adopted by the Council. The adopted final budget is subject to amendment by the Council during the fiscal year. Public notice and hearing are required in order to increase the budget total.

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

Adoption of Ad Valorem Tax Levy. State law requires that the governing body of each taxing entity shall, before June 22 of each year, or, in the case of a property tax increase under the Property Tax Act, September 1, adopt a final, tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located. Therefore, if the City's proposed budget includes a tax rate which exceeds the certified tax rate, the City is required to follow strict rules established by the Property Tax Act. The rules include publishing several public notices of its intent, coordinating the date and time of the public hearing regarding the tax increase with Salt Lake County, and delaying final adoption of the budget until such time as the new tax rate has been adopted.

Financial Records and Statements

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. The City has also empowered the City Manager to maintain control by major categories within departments. Controls are such that a requisition will not be entered into the purchasing system unless the appropriated funds are available. The Finance Director checks for sufficient funds prior to the purchase order being issued and again before the payment check.

Management Discussion and Analysis

In connection with the preparation of its audited financial statements for the fiscal year ended June 30, 2022, the City prepared a management's discussion and analysis of operations. Such management's discussion and analysis was included as part of the City's audit report for the fiscal year ended June 30, 2022 and is included in Appendix A hereto.

Five-Year Financial Summaries

The summaries contained herein were extracted from the City's audited annual financial reports for the fiscal years ended June 30, 2018, through June 30, 2022. The summaries are unaudited.

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MIDVALE CITY
Statement of Net Position
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS					
<i>Current assets:</i>					
Cash and cash equivalents - unrestricted	\$30,576,924	\$22,996,486	\$17,775,666	\$16,331,325	\$13,676,440
Cash and cash equivalents - restricted	2,744,146	2,558,975	4,479,831	28,873,806	33,957,547
Receivables (net of allowance for uncollectibles):					
Accounts and taxes	7,643,550	7,041,809	6,789,205	6,146,317	6,238,795
Contracts	117,475	132,355	16,560	192,240	211,095
Court fines	251,046	253,235	279,476	268,653	299,890
Due from other governments	622,885	1,019,857	927,012	1,962,647	581,129
Due from other funds	34,185	—	—	—	—
Allowance for doubtful accounts	(6,000)	(6,000)	—	—	—
Inventory	458,643	115,151	93,751	177,586	64,327
Prepays and deposits	241,649	164,408	98,647	109,997	107,536
<i>Noncurrent assets:</i>					
Contracts receivable	—	—	144,945	—	—
Investment in landfill	—	—	1,497,443	—	—
Intangible assets	—	6,474,951	3,995,608	4,837,757	4,590,893
Investment in joint venture	6,751,213	—	—	—	—
Note receivable	(29,417)	81,259	188,666	250,721	290,628
Net pension asset	2,078,404	—	—	—	—
Land held for resale	150,130	150,130	150,130	150,130	150,130
Capital assets not depreciated:					
Water stock	3,081,299	3,081,299	3,081,299	3,081,299	3,081,299
Land	65,180,802	65,180,802	64,934,995	64,934,995	64,934,995
Construction in progress	97,864	79,080	3,289,733	1,230,587	1,692,865
Capital assets (net of depreciation):					
Buildings	24,500,889	25,146,314	24,226,610	24,840,941	25,455,274
Improvements other than buildings	40,648,358	41,602,308	40,106,929	40,338,355	38,650,181
Equipment	2,406,760	2,774,652	2,727,709	3,007,482	2,485,430
Infrastructure	19,100,584	20,346,073	20,958,799	19,362,695	19,116,447
Total assets	<u>206,651,389</u>	<u>199,193,144</u>	<u>195,763,004</u>	<u>216,097,533</u>	<u>215,584,901</u>
<i>Deferred outflows of resources:</i>					
Deferred outflows related to pensions	<u>962,678</u>	<u>747,856</u>	<u>709,490</u>	<u>1,414,451</u>	<u>1,355,660</u>
LIABILITIES:					
<i>Current liabilities</i>					
Accounts payable	763,195	1,663,909	2,429,708	2,809,357	2,056,033
Accrued liabilities	366,385	292,550	258,557	140,487	206,883
Accrued interest payable	444,617	483,969	523,991	742,108	354,086
Compensated absences	408,203	315,563	482,041	389,982	761,814
Bonds & notes payable	5,590,814	4,842,480	4,419,000	4,464,000	4,605,000
Due to other funds	34,185	—	—	—	—
<i>Noncurrent liabilities:</i>					
Bonds & notes payable	69,618,550	70,051,750	72,966,138	96,723,873	92,875,168
Compensated absences	231,904	304,710	120,509	97,496	88,523
Net pension liability	—	198,173	1,326,504	2,750,894	1,584,119
Deposits held	<u>688,108</u>	<u>374,993</u>	<u>387,352</u>	<u>497,663</u>	<u>470,583</u>
Total liabilities	<u>78,145,961</u>	<u>78,528,097</u>	<u>82,913,800</u>	<u>108,615,860</u>	<u>103,002,209</u>
<i>Deferred inflows of resources:</i>					
Deferred revenue property taxes	3,599,840	3,266,289	3,234,112	3,140,254	3,057,020
Deferred revenue RDA	100,000	100,000	100,000	100,000	100,000
Deferred federal grants	—	—	987,209	—	—
Deferred inflows related to pensions, net	<u>2,891,274</u>	<u>1,440,697</u>	<u>786,351</u>	<u>83,069</u>	<u>1,084,286</u>
Total deferred inflows of resources	<u>6,591,114</u>	<u>4,806,986</u>	<u>5,107,672</u>	<u>3,323,323</u>	<u>4,241,306</u>
NET POSITION					
Invested in capital assets, net	88,068,658	85,796,084	84,360,318	100,655,999	105,355,211
Restricted for capital projects & redevelopment	17,806,804	12,982,895	7,266,811	2,562,715	6,034,643
Unrestricted	<u>17,001,530</u>	<u>17,826,938</u>	<u>16,823,893</u>	<u>2,354,087</u>	<u>(1,692,808)</u>
Total net position	<u>\$122,876,992</u>	<u>\$116,605,917</u>	<u>\$108,451,022</u>	<u>\$105,572,801</u>	<u>\$109,697,046</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2018-2022. This summary has not been audited.)

MIDVALE CITY
Balance Sheet—Governmental Funds—General Fund
(This summary has not been audited.)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Fiscal Year Ended June 30,</i>					
ASSETS					
<i>Cash, cash equivalents,</i>					
<i>investments</i>					
Unrestricted	\$6,378,507	\$4,733,863	\$2,385,035	\$663,335	\$2,055,451
Restricted	—	140	987,433	21	248,917
<i>Receivables:</i>					
Accounts & other	5,543	5,340	11,978	75,758	95,935
Taxes	4,977,220	4,817,239	4,382,733	4,359,404	4,207,806
Court fines	251,046	253,235	279,476	268,653	299,890
Intergovernmental	622,885	1,019,857	927,012	1,962,647	581,129
Due from other funds	34,185	—	—	—	—
Deposits	119,603	60,565	10,647	81,669	75,595
Total assets	<u>\$12,388,989</u>	<u>\$10,890,239</u>	<u>\$8,984,314</u>	<u>\$7,411,487</u>	<u>\$7,564,723</u>
LIABILITIES					
Accounts payable	180,157	140,550	162,887	249,231	133,502
Deposits held	629,718	316,603	328,962	439,273	411,460
Accrued liabilities	<u>249,320</u>	<u>207,779</u>	<u>176,784</u>	<u>101,910</u>	<u>141,417</u>
Total liabilities	<u>1,059,195</u>	<u>664,932</u>	<u>668,633</u>	<u>790,414</u>	<u>686,379</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					
-property taxes	2,917,185	2,652,109	2,621,894	2,550,522	2,498,241
Unavailable revenue					
- fines, fees, other	251,189	253,610	283,603	273,082	272,860
Unavailable revenue					
- federal grants	—	—	987,209	—	—
Total deferred inflows of resources	<u>3,168,374</u>	<u>2,905,719</u>	<u>3,892,706</u>	<u>2,823,604</u>	<u>2,771,101</u>
FUND BALANCES					
Restricted - B&C road funds	293,871	—	—	—	—
Restricted - debt service	—	140	224	21	248,917
Assigned to subsequent year appropriation	—	—	326,577	—	—
Unassigned	7,867,549	7,319,448	4,096,174	3,797,448	3,858,326
Total fund balances	<u>8,161,420</u>	<u>7,319,588</u>	<u>4,422,975</u>	<u>3,797,469</u>	<u>4,107,243</u>
Total liabilities, deferred inflows, & fund balances	<u>\$12,388,989</u>	<u>\$10,890,239</u>	<u>\$8,984,314</u>	<u>\$7,411,487</u>	<u>\$7,564,723</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2018-2022. This summary has not been audited.)

MIDVALE CITY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds—General Fund
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
REVENUES					
Taxes	\$16,553,309	\$14,887,228	\$13,549,734	\$13,201,596	\$13,099,474
Licenses and permits	711,320	986,962	890,117	893,520	600,158
Intergovernmental	2,814,343	4,848,583	4,878,744	7,752,474	1,957,891
Charges for services	2,138,921	2,214,242	2,111,583	1,831,684	1,674,434
Fines and forfeitures	830,411	701,178	820,736	958,066	992,776
Interest income	—	38,815	56,449	107,424	81,503
Miscellaneous	<u>40,904</u>	<u>104,206</u>	<u>31,329</u>	<u>71,401</u>	<u>5,530</u>
Total revenues	<u>23,089,208</u>	<u>23,781,214</u>	<u>22,338,692</u>	<u>24,816,165</u>	<u>18,411,766</u>
EXPENDITURES					
General government	4,860,346	5,405,076	5,001,096	4,472,441	4,130,071
Public safety	10,322,679	9,306,093	8,968,003	8,381,646	7,168,010
Highways & public improvements	1,372,192	1,421,044	1,208,398	1,053,828	881,927
Parks, recreation & public property	1,131,749	1,175,194	1,142,879	1,007,424	978,895
Community development	1,312,434	1,424,506	1,291,148	1,589,996	1,458,891
Debt service:					
Principal	—	490,000	870,000	1,090,000	805,000
Interest	<u>22,190</u>	<u>286,900</u>	<u>309,445</u>	<u>354,565</u>	<u>395,818</u>
Total expenditures	<u>19,021,590</u>	<u>19,508,814</u>	<u>18,790,969</u>	<u>17,949,900</u>	<u>15,818,612</u>
Excess of revenues over (under) expenditures	4,067,618	4,272,400	3,547,723	6,866,265	2,593,154
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	207	700	10,000	510,156	219,891
Transfers out	<u>(3,225,993)</u>	<u>(1,376,487)</u>	<u>(2,932,217)</u>	<u>(7,686,195)</u>	<u>(2,737,831)</u>
Total other financing sources (uses)	<u>(3,225,786)</u>	<u>(1,375,787)</u>	<u>(2,922,217)</u>	<u>(7,176,039)</u>	<u>(2,517,940)</u>
Net change in fund balance	841,832	2,896,613	625,506	(309,774)	75,214
Fund balance at beginning of year	<u>7,319,588</u>	<u>4,422,975</u>	<u>3,797,469</u>	<u>4,107,243</u>	<u>4,032,029</u>
Fund balance at end of year	<u>\$8,161,420</u>	<u>\$7,319,588</u>	<u>\$4,422,975</u>	<u>\$3,797,469</u>	<u>\$4,107,243</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2018-2022. This summary has not been audited.)

BONDHOLDERS' RISKS

The purchase of the Series 2023 Bonds involves certain investment risks that are discussed throughout this Official Statement. No prospective purchaser of the Series 2023 Bonds should make a decision to purchase any of the Series 2023 Bonds without first reading and considering the entire Official Statement, including all Appendices, and making an independent evaluation of all such information. Certain of those investment risks are described below. The list of risks described below is not intended to be definitive or exhaustive and the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General

The Series 2023 Bonds are payable from and secured by a pledge and assignment of Net Revenues from the System and moneys on deposit in the funds and accounts held by the Trustee under the Indenture other than the Rebate Fund and the Repair and Replacement Fund). Future economic and other conditions, the demand for water and sewer services within the City and the surrounding areas, economic and employment trends and events, demographic changes, changes in governmental regulations and policies and other factors may adversely affect the future financial condition of the System, and, consequently, the availability of Net Revenues. No assurance can be made that the Net Revenues of the System will be realized by the City in amounts sufficient to pay debt service on the Series 2023 Bonds when due.

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 operation of the System is subject to the requirements of various governmental rules and regulations and the System must be operated in compliance with these 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.

The City believes that the System will be operated in a manner that will allow it to pay Operation and Maintenance Expenses for the System, as well as debt service on the Series 2023 Bonds and the Outstanding Parity Bonds.

To the extent the System develops operational problems, rates for the System may need to be increased to produce sufficient Revenue 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. Although the City has the ability to establish rates without prior approval from another governmental entity, the City 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.

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

All legal matters incident to 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 for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney. 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 E of this Official Statement will be made available upon request from the Trustee.

Absence of Litigation

A non-litigation opinion is expected to be provided by the City Attorney, dated the date of closing, stating, among other things that there is no action, suit, proceeding, inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, which is pending or threatened, challenging the creation, organization, or existence of the City; or the titles of its officers to their respective offices; or seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2023 Bonds; or for the purpose of restraining or enjoining the levy and collection of taxes, Revenues, or assessments by the City; or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2023 Bonds are issued; or the validity of the Series 2023 Bonds or the issuance thereof.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 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.

Bank Qualification. The Series 2023 Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

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 Internal Revenue Code of 1986, as amended (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 Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 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.

UNDERWRITING

[UNDERWRITER], as underwriter of the Series 2023 Bonds (the "Underwriter") has agreed, subject to certain conditions, to purchase all of the Series 2023 Bonds from the City at an aggregate purchase price of \$_____ (representing the par amount of the Series 2023 Bonds of \$_____, plus a [net] reoffering premium of \$_____ and less an underwriting discount of \$_____). The obligation of the Underwriter to purchase the Series 2023 Bonds is subject to a number of terms and conditions set forth in the Bond Purchase Contract between the City and the Underwriter. The Underwriter has advised the City that it intends to make a public offering of the Series 2023 Bonds at the prices set forth on the cover page hereof. Such prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Series 2023 Bonds to certain dealers (including dealers depositing Series 2023 Bonds into investment trusts) and others at prices lower than the offering prices stated on the cover page hereof. Although the Underwriter expects to maintain a secondary market in the Series 2023 Bonds after the initial offering, no assurance can be made that such a market will develop or be maintained by the Underwriter or others.

MUNICIPAL ADVISOR

The City has entered into an agreement with Lewis Young Robertson & Burningham, Inc., Salt Lake City, Utah (the “Municipal Advisor”) whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to timing of sale, 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 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.

BOND RATINGS

S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), is expected to assign its municipal bond rating of “___” to the Series 2023 Bonds [with the understanding that upon delivery of the Series 2023 Bonds, the Policy guaranteeing the payment when due of the principal of and interest on the Series 2023 Bonds will be issued by the Insurer. See “BOND INSURANCE” above.] S&P and Fitch Ratings, Inc. (“Fitch”) have assigned underlying municipal bond ratings of “___” and “___,” respectively, to the Series 2023 Bonds.

Such ratings assigned to the Series 2023 Bonds do not constitute a recommendation by the rating agencies to buy, sell or hold the Series 2023 Bonds. Such ratings reflect only the view of such organization delivering the same and any desired explanation of the significance of such ratings should be obtained from that rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own.

There is no assurance that any rating assigned to the Series 2023 Bonds will be maintained for any period of time or that such rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Series 2023 Bonds.

CONTINUING DISCLOSURE

The City has undertaken for the benefit of the Owners and the beneficial owners of the Series 2023 Bonds to provide certain annual financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) and the City has undertaken for the benefit of the Owners and beneficial owners of the Series 2023 Bonds to provide notice of certain material events to the MSRB all in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”). See APPENDIX D attached hereto and incorporated herein by reference for a form of the Continuing Disclosure Undertaking that will be executed and delivered by the City.

[The City reports that in the last five years, certain rating changes, both underlying and bond-insured were not posted timely. Such notices were subsequently filed by the City.]

A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute a default under the Indenture and beneficial owners of the Series 2023 Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. A failure by the City to comply with the Continuing Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 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. See “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING” for the information to be provided, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Undertaking, including termination, amendment and remedies.

MISCELLANEOUS

Independent Accountants

The general purpose financial statements of the City as of June 30, 2022 and for the year then ended, included in this Official Statement, have been audited by Larson & Company, PC ("Larson"), as stated in its report in APPENDIX A to this Official Statement. Larson has not been asked to consent to the use of its name and audited financial statements in this Official Statement. Copies of the City's annual financial report may be obtained upon request from the City.

Additional Information

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

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, is intended as such and not as representations of fact.

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

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

The delivery of the Official Statement has been duly authorized by the City.

MIDVALE CITY, UTAH

APPENDIX A

**AUDITED BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

APPENDIX B

EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE

The following extracts briefly outline certain provisions contained in the Indenture and are not to be considered as a full statement thereof. Reference is made to the Indenture for full details of all the terms thereof, of the Series 2023 Bonds, the security provisions appertaining thereof, and the application of the Revenues and the definition of any terms used but not defined in this Official Statement.

Definitions

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

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

“Acquisition/Construction Fund” means the Midvale City, Utah Water and Sewer Revenue Acquisition/Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

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

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

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

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

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

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

“Balloon Bonds” means Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one Year from 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 one Year.

“Bond Anticipation Notes” means notes issued under the Indenture in anticipation of the issuance of a Series of Bonds.

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

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

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

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

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

“Capital Appreciation Bonds” means Bonds so designated, 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 (ii) is payable upon maturity or prior redemption of such Bonds.

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

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

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

“Construction Bonds” means Additional Bonds issued pursuant to the Indenture to finance all or part of the Cost of a Project.

“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 or other obligations, 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 or other obligations, 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) printing, engraving, and other expenses of financing, fees of financial rating services and costs of issuing any Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));
- (f) costs, fees, and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;
- (g) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

- (h) amounts required to repay temporary loans or Bond Anticipation Notes incurred to finance the costs of a Project;
- (i) cost of site improvements performed by the Issuer in anticipation of a Project;
- (j) moneys necessary to fund the funds created under the Indenture;
- (k) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture of any Operation and Maintenance Expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as provided in the Indenture, of any discount on bonds or other securities, and of any reserves for the payment of the Principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;
- (l) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;
- (m) 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
- (n) 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, advertising and other expenses related to the redemption of such Bonds or other obligations to be redeemed and the redemption price of such bonds or other obligations (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 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 Cross-over Refunded Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of the Act, 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 in a Supplemental Indenture.

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

- (1) 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) 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) 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) 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 thirty (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) 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) Balloon Bonds, it shall be assumed that Principal and interest amortized on a level debt service basis over a twenty (20)-year period at the interest rate 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), 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 (i) 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, (ii) 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 the Act 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, and (iii) 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.

"Debt Service Reserve Fund" means the Midvale City, Utah Revenue Debt Service Reserve Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

"Debt Service Reserve Requirement" means with respect to each Series of Bonds issued pursuant to the Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (i) 10% of the proceeds of such Series of Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds 2% of original Principal, then determined on the basis of 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 Refunding Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series issued pursuant to the Indenture (the "Prior Bonds"), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Refunding Bonds and the portion of such Refunding Bonds that is allocable to the refunding of such Series of Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by a Reserve Instrument as in the Indenture 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.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of the Act, 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 Refunding Bonds, Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"Event of Default" means any occurrence or event specified in and defined by the Indenture.

"Fitch" means Fitch Ratings.

"Governing Body" means the legislative body of the Issuer.

"Government Obligations" means solely one or more of the following:

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

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

"Initial Bonds" means the first Series of Bonds issued under the Indenture.

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

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

"Issuer" means Midvale City, Utah, and its successors.

"Mayor" means the duly elected mayor of the Issuer or any successor to the duties of such office. Such term shall also include the deputy mayor except as the deputy mayor's powers may be limited by written declaration of the duly elected mayor.

"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.

“Other Available Moneys” means for any Year the amount designated by the Issuer for transfer from the Rate Stabilization Fund to the Revenue Fund, provided that such amount shall not exceed 25% of the Aggregate Annual Debt Service Requirement for such Year.

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the Issuer or paid to any other entity pursuant to contract or otherwise, necessary to keep the System in efficient operating condition, including cost of audits required under the Indenture, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance required in the Indenture, Administrative Costs, and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to Issuer funds and interest expense for interfund loans from Issuer funds, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“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 the Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to the Indenture; and

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

“Paired Obligations” means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates of which, when taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

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

“Principal Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 10 East South Temple, 12th Floor, Salt Lake City, Utah, or such other or additional offices as may be specified by the Trustee.

“Principal Installment” means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal of the 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, expansion, and/or renovation of the System, including 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 or architectural matters relating to construction and maintenance of municipal water and sewer systems, appointed and paid by the Issuer, who shall not have any substantial interest, direct or indirect (other than employment), with the Issuer, but who may be regularly retained to make annual or other periodic reports of the Issuer. “Qualified Engineer” may include any registered or licensed engineer or architect employed by the Issuer.

“Qualified Investments” means any of the following securities:

- (a) Government Obligations;
- (b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer’s Home Administration; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA’s);
- (c) Money market funds rated “AAAm” or “AAAm-G” or better by S & P and/or the equivalent rating or better of Moody’s (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;
- (d) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody’s or A-1+ by S & P, and which matures not more than two hundred seventy (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 (3) 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 three hundred sixty (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 moneys 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 Midvale City, Utah Water and Sewer Revenue Rate Stabilization Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Rating Agency” means Fitch, Moody’s or S&P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued under the Indenture at the request of the Issuer. If 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 the interest thereon is intended to be excludable from gross income for federal income tax purposes, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

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

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

“Refunding Bonds” means the Bonds issued pursuant to the Indenture.

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

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

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

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

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

“Repair and Replacement Fund” means the Midvale City, Utah Water and Sewer Revenue Repair and Replacement Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

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

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

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

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

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

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

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

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

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

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

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

“Revenues” means all revenues, fees (including impact fees to the extent such impact fees can legally be used for the purposes financed under the Indenture), income, rents and receipts received or earned by the Issuer from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), together with all interest earned by and profits derived from the sale of investments in the related funds thereof.

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

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a “Security Instrument” for purposes of the 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 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 Midvale City, Utah Water and Sewer Revenue Sinking Fund Account of the Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

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

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

“State” means the State of Utah.

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

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

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

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

“System” means the Issuer’s Water, Sewer, and Storm Water, collectively, (i) the Issuer’s water facilities, including both culinary and irrigation facilities; (ii) the Issuer’s sewer facilities; and (iii) the Issuer’s storm water facilities, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses and rights of way of the Issuer and all other works, property, structures, equipment of the Issuer and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with, or related to said System.

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

“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 Revenues after payment of all amounts then due pursuant to the Indenture.

“Trustee” means Zions First National Bank, 10 East South Temple, 12th Floor, Salt Lake City, Utah, 84111 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 under the Indenture.

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

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

“Year” means any twelve-consecutive-month period.

Indenture to Constitute Contract

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

The Bonds

Limited Obligations. 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 under the Indenture and held by the Trustee (except the Rebate Fund) or the income from the temporary investment thereof). 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 under the Indenture (except the Rebate Fund) and the Issuer by the Indenture 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 in the Indenture 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.

Special Provisions for the Issuance of Construction Bonds. One or more Series of Additional Bonds may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Issuer for the purpose of paying or providing for the payment of all or a portion of (1) the Cost of Construction of a Project, (2) principal and redemption price of and interest on Bond Anticipation Notes, or (3) any combination of (1) and (2). Each such Series shall be in such principal amount which, when taken together with moneys previously used, moneys then legally available, or moneys to be obtained in the future for such Project, will provide the Issuer with sufficient funds to pay the estimated Cost of Construction of such Project, as shall be set forth in the written certificate of the Issuer furnished pursuant to the Indenture.

- (a) Each Supplemental Indenture authorizing the issuance of a Series of Construction Bonds:
- (i) Shall specify the Project for which the proceeds of such Series of Bonds will be applied; and
- (ii) May require the Issuer to deposit a specified amount of money from the proceeds of the sale of such Series of Bonds or from other legally available sources into the applicable account within the Acquisition/Construction Fund sufficient to pay when due all or a portion of the interest on such Series of Bonds accrued and to accrue to the estimated completion date of the Project as set forth in the written certificate of the Issuer delivered pursuant to the Indenture, plus interest to accrue on such Series of Bonds after the estimated completion date for up to one Year (or such different period as may then be permitted by law).
- (b) Each Series of Construction Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) of a written certificate of the Issuer, dated as of the date of such delivery, that contains the following:
- (i) The then estimated completion date and estimated Cost of Construction of the Project being financed by such Series of Bonds;
- (ii) A statement that, upon the authentication and delivery of the Bonds of such Series, no Event of Default has occurred and is then continuing under the Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture;
- (iii) (A) the estimated Net Revenues (plus any Other Available Moneys) of the Issuer for the then-current Bond Fund Year and each of the three succeeding Bond Fund Years, (B) the maximum Aggregate Annual Debt Service Requirement including total Repayment Obligations with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Construction Bonds for each of these Bond Fund Years, and (C) a statement that such estimated Net Revenues (plus any Other Available Moneys) are not less than 125% of the maximum Aggregate Annual Debt Service Requirement on all Bonds to be Outstanding for all Bond Fund Years beginning the Second Bond Fund Year after the Bond Fund Year in which the Construction Bonds are issued.¹
- (iv) For purposes of this subsection (b), “estimated Net Revenues” shall be determined by a Qualified Engineer as follows:²
- (A) The total Net Revenues of the System for the most recent Bond Fund Year immediately preceding the authentication and delivery of the Construction Bonds in which such information is available to the Issuer shall be first be determined. For purposes of these calculations, Revenues may be adjusted to give full effect to rate increases implemented prior to the issuance of the Construction Bonds.
- (B) Next, the additional Net Revenues, if any, resulting from the Improvements financed with the proceeds of the Construction Bonds will be estimated by a Qualified Engineer for the applicable Bond Fund Years.
- (C) The Estimated Net Revenues will be the sum of the Net Revenues as calculated in (A) above, plus 80% of the estimated additional Net Revenues as calculated in (B) above.

¹ As amended by the Second Supplemental Indenture of Trust, dated as of April 1, 2007.

² As amended by the Second Supplemental Indenture of Trust, dated as of April 1, 2007.

(c) Notwithstanding any other provision of the Indenture, the provisions of paragraph (b)(iii) above shall not apply:

(i) to any Series of Construction Bonds, all of the proceeds of which are to be applied to pay the Cost of Construction of a Project necessary, as expressed in an Engineer's Certificate delivered to the Trustee, to keep the System or any component thereof in good operating condition or to prevent a loss of Revenues, or to comply with requirements of any governmental agency having jurisdiction over the Issuer or the System; or

(ii) to any Series of Bonds issued to pay the Cost of Construction necessary to complete any Project for which Bonds have previously been issued, provided that the Trustee shall have received:

(A) An engineer's certificate to the effect that (i) the nature and purpose of such Project has not materially changed since the initial written certificate of the Issuer was filed pursuant to the Indenture, and (ii) the then estimated Costs of Construction of the Project as contained in the written certificate of the Issuer delivered pursuant to the Indenture exceeds the sum of the Costs of Construction already paid plus moneys available in the Acquisition/Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose) plus other legally available moneys in the Revenue Fund; and

(B) A written certificate of the Issuer to the effect that (i) all of the proceeds (including investment earnings) of Construction Bonds (or Bond Anticipation Notes) previously issued to finance such Project have been or will be used to pay Costs of Construction of the Project; (ii) the issuance of such Series of Bonds is necessary to provide funds to pay Costs of Construction necessary for the Project; and (iii) the principal amount of such Series of Bonds does not exceed twenty-five percent of the principal amount of all Construction Bonds previously issued to finance such Project.

(d) The proceeds, including accrued interest, of each Series of Construction Bonds shall be deposited simultaneously with the delivery of such Bonds in the Acquisition/Construction Fund and, to the extent permitted by law and the provisions of the Indenture, in any other funds or such other funds or accounts as may be established by the Supplemental Indenture, in such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds.

(e) There may also be deposited from any legally available source, to the extent permitted by law and the provisions of the Supplemental Indenture, in the funds or such other funds or accounts as may be established by the Supplemental Indenture, such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds.

Special Provisions for the Issuance of Refunding Bonds. (a) One or more Series of Refunding Bonds may be issued in such principal amount which, when taken together with other legally available moneys, will provide the Issuer with moneys sufficient to accomplish the refunding of all or a part of the Outstanding Bonds of one or more Series, including in each case the payment of all expenses in connection with such refunding.

(b) Each Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds shall specify the Bonds to be refunded.

(c) Each Series of Refunding Bonds (other than Cross-over Refunding Bonds) shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) of the following documents or moneys or securities, all of such documents dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) A written certificate of the Issuer certifying: (A) that the issuance of such Series of Refunding Bonds complies with the requirements of the Indenture, and (B) that (1) the estimated Net Revenues (plus any Other Available Moneys) of the Issuer for the then-current Bond Fund Year and each of

the three succeeding Bond Fund Years, (2) the Aggregate Debt Service and the total Repayment Obligations with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Refunding Bonds for each of these Bond Fund Years, and (3) such estimated Net Revenues (plus any Other Available Moneys) are not less than 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds Outstanding for said Year; provided, however, that such Revenue coverage test set forth above shall not apply to Refunding Bonds issued for the purpose of refunding Bonds originally issued under the Indenture, to the extent that (i) the Average Aggregate Annual Debt Service Requirement for such Refunding Bonds does not exceed the then remaining Average Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith and (ii) the maximum Aggregate Annual Debt Service Requirement for such Refunding Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of any redemption of the Bonds to be refunded on the redemption date or dates specified in such instructions;

(iii) If, within the next succeeding 90 days, the Bonds to be refunded do not mature, are not redeemable or are not to be redeemed, irrevocable instructions to the Trustee satisfactory to it, to mail the notice required by Article IX to the Owners of the Bonds being refunded; and

(iv) Either (A) moneys in an amount sufficient to effect payment of the principal or the applicable redemption price of the Bonds to be refunded, together with accrued interest to the maturity or redemption date, as the case may be, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for the Bonds to be refunded, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of Article IX, which Government Obligations and moneys shall be held in trust and used only as provided in such Article.

(d) Each Series of Cross-over Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) of the following documents or moneys or securities, all of such documents dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) a written certificate of the Issuer stating that the issuance of such Series of Cross-over Refunding Bonds complies with the requirements of the Indenture;

(ii) instructions to the Trustee, satisfactory to it, to give due notice of any redemption of the Cross-over Refunded Bonds on the Cross-over Date or on such other redemption date or dates, and subject to such conditions, as shall be specified in such instructions;

(iii) if the Cross-over Refunded Bonds are not by their terms subject to redemption within the 90 days next succeeding the Cross-over Date, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Article IX to the Owners of the Cross-over Refunded Bonds on such date or dates as shall be specified in such instructions;

(iv) either (A) moneys in an amount sufficient to effect payment of the interest on the Cross-over Refunding Bonds to the Cross-over Date and the principal or the applicable redemption price of the Cross-over Refunded Bonds on the Cross-over Date (or other redemption date of the Cross-over Refunded Bonds), which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate trust account, or (B) Qualified Investments in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of the Supplemental Indenture authorizing the issuance of the Cross-over Refunding Bonds; and

(v) there shall be filed with the Trustee a written certificate of an independent public accountant demonstrating the sufficiency of the moneys and investments in the escrow to pay the interest on

the Cross-over Refunding Bonds to the Cross-over Date and the principal or redemption price, as applicable, of the Cross-over Refunded Bonds on the Cross-over Date (or other redemption date of the Cross-over Refunded Bonds).

Any Supplemental Indenture providing for the issuance of Cross-over Refunding Bonds may establish conditions to the occurrence of the Cross-over Date and provide that the Cross-over Date will not occur if such conditions are not satisfied, in which case the Cross-over Refunding Bonds will be redeemed on the Cross-over Date from the proceeds thereof, escrowed interest and other moneys available therefor. Each such Supplemental Indenture shall, in addition to all other requirements of the Indenture, provide that (i) until the occurrence of the Cross-over Date none of the principal or redemption price of and interest on the Cross-over Refunding Bonds shall be payable from or secured by the pledge of the Indenture, but shall be payable from the proceeds of the Cross-over Refunding Bonds, escrowed interest, and such other sources as may be provided in such Supplemental Indenture; and (ii) upon the occurrence of the Cross-over Date, the Cross-over Refunding Bonds shall be secured by the lien of the Indenture on a parity with all other Series of Bonds Outstanding.

(e) A Series of Refunding Bonds may be combined with a Series of Construction Bonds.

Conditions for Issuance of Bond Anticipation Notes. (a) One or more Series of Bond Anticipation Notes may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Issuer for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of any Project, or the refunding of Bond Anticipation Notes, or a combination of such purposes.

(b) (i) Each Supplemental Indenture authorizing the issuance of a Series of Bond Anticipation Notes (A) shall specify the Project to which the proceeds of such Series of Bond Anticipation Notes will be applied; and (B) may provide for the deposit of a specified amount of money from the proceeds of the sale of such Series of Bond Anticipation Notes into an account in the Acquisition/Construction Fund to pay when due all or a portion of the interest on such Series of Bond Anticipation Notes accrued and to accrue to the estimated completion date set forth in the written certificate of the Issuer delivered with respect to such Series of Bond Anticipation Notes pursuant to the Indenture, plus interest to accrue on such Series of Bond Anticipation Notes after the estimated completion date for up to one Year (or such different period as may then be permitted by law).

(ii) The payment of the interest on Bond Anticipation Notes shall be on a parity with the lien and charge created in the Indenture for the payment of the Bonds. The payment of the Principal on Bond Anticipation Notes shall be payable solely from the proceeds of Bonds or amounts on deposit in a fund which is subordinate to the Bond Fund, and the Supplemental Indenture pursuant to which any Series of Bond Anticipation Notes is issued shall so provide. Each Bond Anticipation Note shall state on its face that the payment of Principal thereof is so subordinated.

(iii) No Bond Anticipation Note shall mature later than five years from its date, including all refundings thereof by Bond Anticipation Notes (whether such refundings occur by reason of exchanges of Bond Anticipation Notes or by reason of payment of such Bond Anticipation Notes from refunding Bond Anticipation Notes, or otherwise).

(c) Each Series of Bond Anticipation Notes shall be authorized and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) a written certificate of the Issuer, dated as of the date of such delivery, that contains the following:

(i) The then estimated completion date and estimated Cost of Construction of the Project being financed by such Series of Bond Anticipation Notes;

(ii) A statement that, upon the authentication and delivery of the Bond Anticipation Notes of such Series, no Event of Default has occurred and is then continuing under the Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture; and

(iii) A statement that the issuance of such Series of Bond Anticipation Notes complies with the requirements of the Indenture.

Covenant against Creating or Permitting Liens. Except for the pledge of Net Revenues to secure payment of the Bonds and Repayment Obligations under the Indenture, 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 in the Indenture 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.

Special Funds and Accounts

Use of Acquisition/Construction Fund.

(a) So long as no Event of Default shall 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 attached to the Indenture, 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 due and owing and constitutes a Cost of a Project based upon 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 ninety (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 the Indenture shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

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

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by the Indenture, any balance remaining in the applicable account in the Acquisition/Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to redeem the Series of Bonds issued to finance such Project or to be used for such other purpose or purposes as approved by bond counsel.

(g) The Trustee may, to the extent there are no other monies held under the Indenture, use any moneys in the Acquisition/Construction Fund to pay Principal and interest on the Bonds at any time upon the occurrence of an Event of Default.

Application of Revenues

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

(b) As a first charge and lien on the Revenues, the Issuer shall cause to be paid from the Revenue Fund from time to time as the Issuer shall determine, all Operation and Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.

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

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

(ii) the Principal and premium, if any, falling due on the next succeeding Interest Payment Date established for the Bonds; plus

(iii) the Sinking Fund Installment, if any, falling due on the next succeeding 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 Interest Payment Date as the same become due and payable.

(d) As a third charge and lien on the Net Revenues (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 account(s) in the Debt Service Reserve Fund any amounts required by the Indenture and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided in the Indenture and in any Supplemental Indenture and (B) if moneys shall have been withdrawn from an account in the Debt Service Reserve Fund or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, moneys sufficient in amount to restore such account(s) within one Year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based on the amount to be transferred pursuant to the Indenture) of remaining Net Revenues if less than the full amount necessary; and

(ii) Equally and ratably to the account(s) of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect, such amount or a ratable portion (based on the amount to be transferred pursuant to paragraph (d)(i) above) if less than the full amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, 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, the Issuer shall deposit in the Repair and Replacement Fund any amount required by the Indenture and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding from time to time, the Issuer shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues of the System after payments required by the Indenture have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. 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) The foregoing provisions set forth in the Indenture may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

(g) The Net Revenues remaining after the foregoing deposits and transfers and not required to be used for remedying any deficiencies in payments previously made into the funds established in the Indenture, may be used at any time for any of the following:

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

Use of Bond Fund.

(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 the Indenture;
- (iii) any amount in the Acquisition/Construction Fund to the extent required by or directed pursuant to the Indenture upon completion of a Project;
- (iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in the Indenture; and
- (v) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

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

- (i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;
- (ii) on or before each Interest Payment Date, the amount required to pay the Principal Installment due on such 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 by the Indenture authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay Principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said Principal and interest.

(c) After payment in full of the Principal of and interest on (1) all Bonds issued under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding); (2) all agreements relating to all 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 under the Indenture or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement; all amounts remaining in the Bond Fund shall be paid to the Issuer.

Use of Sinking Fund Account.

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant 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.

Use of Debt Service Reserve Fund. Except as otherwise provided in the Indenture 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 of (a) and (b) thereof, (i) deposited from available Net Revenues over the period of time specified therein, or (ii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this section of the Indenture, the Issuer is required, pursuant to the Indenture 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 moneys 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 a Reserve Instrument applicable to such Series is in effect, the Trustee shall immediately make a demand for payment on such Reserve Instrument, to the maximum extent authorized by such Reserve Instrument, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in the Indenture.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds is 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 excludability from gross income for federal income tax purposes of interest payable on the Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required by the Indenture and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

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

Moneys shall be deposited at least semi-annually from available Net Revenues in such amounts as may be required from time to time by each Supplemental Indenture until the Repair and Replacement Fund has an amount equivalent to the Repair and Reserve Replacement Requirement. Any deficiencies below the Repair and Reserve Replacement Requirement shall be made up from Net Revenues of the System available for such purposes. Moneys 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 maintained in the Repair and Replacement Fund or may be used by the Issuer for any lawful purpose.

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 the 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 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 Rebatable Arbitrage, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Rebatable Arbitrage from the funds and accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the Rebatable Arbitrage 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 Rebatable Arbitrage 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 the Indenture 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 the Indenture.

(d) The Trustee shall, at least sixty (60) days prior to each Rebate Calculation Date, notify the Issuer of the requirements of the Indenture. 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 in the Indenture 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 for federal income tax purposes of interest payable on the Bonds.

Use of Rate Stabilization Fund. The Rate Stabilization Fund may be funded by the Issuer from Revenues of the System transferred from the Revenue Fund as provided in the Indenture. The Issuer may, from time to time, designate all or a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Moneys (as described in the definition thereof). Except for amounts designated as provided in the immediately preceding sentence (for the Bond Fund Year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the Issuer for any lawful purpose and to the extent that amounts on deposit in the Revenue Fund are insufficient in any Bond Fund Year to fund all obligations set forth in Sections 4.2(b), 4.2(c), 4.2(d) and 4.2(e) during that Bond Fund Year, the Issuer covenants to transfer moneys from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency.

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 authorization of the Issuer, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund, the Reserve Instrument Fund and Debt Service Reserve Fund may only be invested in Qualified Investments having a maturity date of one Year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the funds for the purposes for which the funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the 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 provided in the Indenture. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with the Indenture.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of the Indenture. 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 law, 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 under the Indenture.

The Issuer may invest the amounts on deposit in the Revenue Fund, the Repair and Replacement Fund, and the Rate Stabilization 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 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, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

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

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

General Covenants

General Covenants. The Issuer by the Indenture covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture, 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 including connection fees, for all services supplied by the System to the Issuer and to its inhabitants and to all customers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of 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 in the time, rate, and manner specified in the Indenture, provided, however, that such rates must be reasonable

rates for the type, kind and character of the service rendered. The Issuer agrees that should its annual financial statement made in accordance with the provisions of the Indenture disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer 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 insofar as is practicable and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues as required in the Indenture.¹

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

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

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

(e) There shall be no free water or sewer service, and such rates shall be charged against all users of the System, including the Issuer.

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

First Lien 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 first lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/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 by the Indenture, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected by the Indenture to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued under the Indenture, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning of the Indenture and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Net Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof), which Net Revenues are by the Indenture specifically pledged and assigned

¹ As amended by the Second Supplemental Indenture of Trust, dated as of April 1, 2007.

to the payment thereof in the manner and to the extent specified in the Indenture, and nothing in the Bonds, the Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

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

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

Tax Exemption of Bonds. The Issuer recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon is excludable from gross income for federal income tax purposes under laws in force at the time the bonds are delivered. Bonds issued pursuant to the Indenture, the interest on which is excludable from gross income for federal income tax purposes, are referred to in the Indenture 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 under the Indenture 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 adversely affect the excludability of the interest on any Bonds from gross income for federal income tax purposes.

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 the Code and the Regulations promulgated or proposed thereunder. 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 under the Indenture to become includable in gross income for federal income tax purposes, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax-exempt Bonds to become includable in gross income for purposes of federal income taxation and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the excludability from gross income for federal income tax purposes of interest payable on the Bonds.

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.

Use of Legally Available Moneys. Notwithstanding any other provisions of the Indenture, nothing in the Indenture shall be construed to prevent the Issuer from (i) paying all or any part of the Operation and Maintenance Expenses from any moneys available to the Issuer for such purpose, (ii) depositing any moneys available to the Issuer for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the Principal of any Bonds issued under provisions of the Indenture or for the redemption of any such Bonds or for the payment of

any Security Instrument Repayment Obligations, or (iii) depositing any moneys 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.

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 (i) which shall have been replaced by other property of at least equal value, (ii) which shall cease to be necessary for the efficient operation of the System and the disposition of which will not, as determined by the Governing Body of the Issuer, result in a material reduction in Net Revenues in any Year; or (iii) the value, as determined by the Governing Body of the Issuer, of the property to be sold, leased, abandoned, mortgaged, or otherwise disposed of (together with any other property similarly disposed of within the Year immediately preceding the proposed disposition) does not exceed 5% of the value of the assets of the System, as determined by the Governing Body of the Issuer; provided, however, that in the event of any sale as aforesaid, the proceeds of such sale not needed to acquire other property of the System 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.

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 by the Indenture agrees that if any bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all service to the user concerned to be cut off immediately.

Default Provisions

Events of Default. Each of the following events is by the Indenture declared an “Event of Default”:

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

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

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

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within thirty (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 sixty (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 thirty (30) days from the date of assumption of such custody or control; or

(i) if the Issuer shall fail to perform any other of the covenants, conditions, agreements, and provisions contained in the Bonds, or in the Indenture or any Supplemental Indenture of the Indenture on the part of the Issuer to be performed, other than as set forth in the Indenture, and such failure shall continue for thirty (30) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding under the Indenture; or

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

Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to the Indenture, may pursue any available remedy by suit at law or in equity to enforce the payment of the Principal of, premium, if any, and interest on any Outstanding Bonds or to enforce any obligations of the Issuer under the Indenture.

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

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

Right of Registered Owners to Direct Proceedings. Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of not less than 50% 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 the Bonds then 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 the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

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

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

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

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

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

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

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

Whenever moneys are to be applied pursuant to the provisions of the Indenture, 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 moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

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

Rights and Remedies of Registered Owners. Except as provided in the last sentence of this section, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by said Indenture it is deemed to have notice, nor unless also Registered Owners of not less than 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 the Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are by the Indenture declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing in the Indenture 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 under the Indenture held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

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

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

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

Trustee Provisions

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

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

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers 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 Supplemental Indentures, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) To provide for the issuance of Initial Bonds, Construction Bonds, Refunding Bonds, and Bond Anticipation Notes in accordance with the provisions of the Indenture;
- (b) To cure any ambiguity or formal defect or omission in the Indenture;
- (c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon them and which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without their consent;
- (d) To subject to the Indenture or other revenues, properties, collateral, or security;
- (e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, or any successor provisions of law;
- (f) To make any change which shall not materially adversely affect the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuer 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 (i) to establish or maintain the excludability from gross income for federal income tax purposes of interest payable on the Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service thereof or of regulations proposed or promulgated

thereunder, or (ii) 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 under the Indenture to the United States of America;

(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 excludability from gross income for federal income tax purposes of interest payable on the Bonds (if applicable) or validity of the Bonds and (3) a certificate of the Issuer to the effect that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture; and

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

Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered above and subject to the terms and provisions contained in the Indenture, and not otherwise, the Registered Owners of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any other Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of the Indenture or of any Supplemental Indenture; provided, however, that nothing in the Indenture contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any fund established under the Indenture applicable to any Bonds without the consent of the Registered Owners of Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of the 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 Bonds then Outstanding which would be affected by the action to be taken. In addition, no Supplemental Indenture 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 the Indenture, neither the Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

Discharge of Indenture

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the Principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions of the Indenture, and to all Security Instrument Issuers and all Reserve Instrument

Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights by the Indenture granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Issuer any and all the estate, right, title, and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the Principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

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

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

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

(b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to the provisions of the Indenture; and

(c) if the Bonds to be redeemed will not be redeemed within ninety (90) days of such deposit, directing the Trustee to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by the Indenture has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the Principal or redemption price, if applicable, on said Bonds as specified in Subparagraph (a) above.

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

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

Notwithstanding any provision of the Indenture which may be contrary to the provisions above, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds

(including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Direct Obligations have been so set aside in trust.

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

APPENDIX C
ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING
THE CITY AND SALT LAKE COUNTY

THE CITY

City Population

<u>Year</u>	<u>Population</u>	<u>Percent Change</u>
2022 Estimate	35,637	(0.7)%
2021 Estimate	35,877	(0.4)
2020 Census	36,028	5.6
2019 Estimate	34,124	1.8
2018 Estimate	33,506	0.9
2017 Estimate	33,208	0.7
2016 Estimate	32,969	1.6
2015 Estimate	32,450	2.6
2014 Estimate	31,637	2.8
2013 Estimate	30,762	1.7

Note: The 2020 Census is as of April 1, 2010; the annual population estimates are as of July 1 of the year given.
 (Source: U.S. Census Bureau.)

Construction Activity in the City

The following table summarizes the value of permit authorized construction for the City for the years shown for both residential and commercial construction.

	<i>Calendar Year</i>				
	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
New Dwelling Units	236	221	286	427	521
New Residential Value (\$000)	\$23,705.0	\$36,164.2	\$46,356.8	\$67,894.7	\$56,489.1
New Nonresidential Value (\$000)	27,916.1	69,168.3	19,108.5	7,482.2	42,644.2
Additions/Alterations/Repairs					
Residential Value (\$000)	864.1	6,280.2	8,419.4	3,887.5	2,783.3
Additions/Alterations/Repairs					
Nonresidential Value (\$000)	<u>21,049.8</u>	<u>6,339.6</u>	<u>29,057.5</u>	<u>18,927.5</u>	<u>10,871.6</u>
Total Construction (\$000)	\$73,535.0	\$117,952.3	\$102,942.2	\$98,192.0	\$112,788.2

(Source: University of Utah Bureau of Economic and Business Research.)

SALT LAKE COUNTY

The following demographic information is provided solely as background information regarding Salt Lake County (the “County”), the general area in which the City is located. The County is the economic and population center of the State. Based on 2020 Census data, the County has approximately 36% of the total population of the State. The State capital, Salt Lake City, is located in the County.

County and State Population

<u>Year</u>	<u>County</u>	<u>% Change</u>	<u>State</u>	<u>% Change</u>
2022 Estimate	1,186,257	(0.02)%	3,380,800	1.25%
2021 Estimate	1,186,440	0.10	3,339,113	2.06
2020 Census	1,185,238	2.14	3,271,616	2.05
2019 Estimate	1,160,437	1.02	3,205,958	1.66
2018 Estimate	1,148,692	1.05	3,153,550	1.69
2017 Estimate	1,136,719	1.48	3,101,042	1.95
2016 Estimate	1,120,109	1.62	3,041,868	2.01
2015 Estimate	1,102,273	1.13	2,981,835	1.53
2014 Estimate	1,090,005	0.98	2,936,879	1.35
2013 Estimate	1,079,392	1.45	2,897,640	—
2010 Census	1,029,655	—	2,763,885	—

(Source: U.S. Census Bureau, Population Division.)

Note: The 2010 and 2020 Census are as of April 1 of those years; the annual population estimates are as of July 1 of the year given. Estimates are subject to change.

Rate of Unemployment – Annual Average

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2022	2.3%	2.3%	3.6%
2021	2.8	2.7	5.3
2020	5.1	4.7	8.1
2019	2.5	2.6	3.7
2018	2.8	2.9	3.9
2017	3.1	3.3	4.4
2016	3.2	3.4	4.9
2015	3.4	3.6	5.3
2014	3.7	3.8	6.2
2013	4.4	4.6	7.4

(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)

Economic Indicators in the County

LABOR FORCE ⁽¹⁾	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Labor Force (annual average)	678,077	653,817	643,461	637,173	624,844
Employed (annual average)	662,608	635,666	610,521	621,401	607,123
Unemployed (annual average)	15,468	18,161	32,940	15,772	17,721
Average Employment (Non-Farm Jobs)	783,531	750,123	720,686	737,206	718,584
% Change Prior Year	4.45	4.08	-2.24	2.59	4.28
<i>Average Employment by Sector:</i>					
Agriculture, Forestry, Fishing & Hunting	505	433	350	291	250
Mining	3,101	2,711	2,704	2,645	2,853
Utilities	2,618	2,540	2,613	2,738	2,732
Construction	52,266	49,403	46,121	43,017	40,270
Manufacturing	61,232	58,412	56,512	57,837	56,650
Wholesale Trade	36,865	34,826	33,589	32,915	32,061
Retail Trade	75,688	75,837	71,757	74,297	74,271
Transportation and Warehousing	48,479	46,635	45,470	44,359	42,585
Information	24,576	21,856	20,493	20,915	20,379
Finance and Insurance	51,587	51,570	50,506	48,968	48,266
Real Estate and Rental and Leasing	12,329	11,964	11,551	11,603	11,121
Professional, Scientific & Technical Services	73,891	67,717	62,213	60,454	56,726
Management of Companies and Enterprises	16,336	16,041	16,533	16,177	15,878
Administrative, Support, Waste Management, & Remediation	52,483	50,714	50,478	53,196	53,371
Education Services	65,264	62,248	63,779	67,737	66,030
Health Care and Social Assistance	86,235	83,898	81,223	81,694	79,736
Arts, Entertainment, and Recreation	11,298	9,691	8,178	10,932	10,668
Accommodation and Food Services	53,964	48,396	44,582	53,029	51,317
Other Services and Unclassified Establishments	22,824	22,348	21,239	3,645	22,595
Public Administration	31,989	31,155	30,797	31,265	30,824
Total Establishments	69,744	62,346	56,515	53,393	50,998
Total Wages (\$Millions)	54,649.5	49,206.1	44,541.0	41,740.6	38,893.2
INCOME AND WAGES	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Personal Income (\$000) ⁽²⁾	n/a	\$74,207,465	\$68,835,333	\$62,963,324	\$59,414,136
Per Capita Income ⁽²⁾	n/a	62,547	58,028	53,472	50,971
Median Household Income ⁽¹⁾	n/a	n/a	79,294	79,941	73,619
Average Monthly Nonfarm Wage ⁽¹⁾	\$5,812*	\$5,399	\$5,087	\$4,669	\$4,465
SALES & CONSTRUCTION	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gross Taxable Sales (\$000,000) ⁽³⁾	41,687.3	37,173.7	31,377.7	30,093.2	28,846.0
New Dwelling Units ⁽⁴⁾	8,864	11,037	10,660	9,789	8,150
Total Construction Value (\$000) ⁽⁴⁾	3,992,958.0	4,343,554.3	4,122,671.6	3,838,632.5	3,015,289.7
New Residential Value (\$000) ⁽⁴⁾	1,711,278.5	2,153,788.4	1,964,183.1	1,804,752.7	1,470,556.5
New Nonresidential Value (\$000) ⁽⁴⁾	1,303,331.3	1,056,514.3	974,277.3	1,188,464.2	951,421.3

(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; Total Construction Value includes additions/alterations/repairs.)

* Preliminary; subject to change.

Major Employers in the County

<u>Company</u>	<u>Industry</u>	<u>Employment Range</u>
University Of Utah	Higher Education	20,000+
Intermountain Health Care	Health Care	20,000+
State Of Utah	State Government	10,000-14,999
Granite School District	Public Education	7,000-9,999
Jordan School District	Public Education	5,000-6,999
Wal-Mart Associates	Warehouse Clubs and Supercenters	5,000-6,999
Amazon	Couriers	5,000-6,999
Salt Lake County	Local Government	5,000-6,999
Salt Lake City	Local Government	4,000-4,999
The Canyons School District	Public Education	4,000-4,999
Delta Air Lines	Air Transportation	4,000-4,999
ARUP Laboratories	Medical Laboratories	4,000-4,999
Smiths Food and Drug	Grocery Stores	4,000-4,999
Department Of Veterans Affairs	Health Care	3,000-3,999
United Parcel Service	Couriers	3,000-3,999
Discover Products	Financial Services	3,000-3,999
U.S. Postal Service	Postal Service	3,000-3,999
Zions Bank	Financial Services	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
SilencerCo	Manufacturing	2,000-2,999
L3 Technologies	Manufacturing	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
Wells Fargo Bank	Financial Services	2,000-2,999
Biofire Diagnostics	Medical Research	2,000-2,999
Credit Corp Solutions	Financial Services	2,000-2,999
Harmons	Grocery Stores	2,000-2,999
SkyWest Airlines	Air Transportation	2,000-2,999
Utah Transit Authority	Public Transportation	2,000-2,999
Universal Protection	Security Guards and Patrol Services	2,000-2,999
<i>Merit Medical Systems</i>	<i>Manufacturing</i>	2,000-2,999
McDonalds	Restaurants	2,000-2,999
Kennecott Utah Copper	Mining	2,000-2,999
Salt Lake City	Local Government	4,000-4,999
The Canyons School District	Public Education	4,000-4,999
Delta Air Lines	Air Transportation	4,000-4,999
ARUP Laboratories	Medical Laboratories	4,000-4,999
Smith's Food and Drug	Grocery Stores	4,000-4,999
Department Of Veterans Affairs	Health Care	3,000-3,999
United Parcel Service	Couriers	3,000-3,999
Discover Products	Financial Services	3,000-3,999
U.S. Postal Service	Postal Service	3,000-3,999
Zions Bank	Financial Services	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
SilencerCo	Manufacturing	2,000-2,999
L3 Technologies	Manufacturing	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
Wells Fargo Bank	Financial Services	2,000-2,999
Biofire Diagnostics	Medical Research	2,000-2,999
Credit Corp Solutions	Financial Services	2,000-2,999
Harmons	Grocery Stores	2,000-2,999
SkyWest Airlines	Air Transportation	2,000-2,999
Utah Transit Authority	Public Transportation	2,000-2,999
Universal Protection	Security Guards and Patrol Services	2,000-2,999
<i>Merit Medical Systems</i>	<i>Manufacturing</i>	2,000-2,999
McDonalds	Restaurants	2,000-2,999
Kennecott Utah Copper	Mining	2,000-2,999

(Source: Utah Department of Workforce Services; last updated November 2022.)

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”), executed by Midvale City, Utah (the “City”), in connection with the issuance of the City’s \$_____ aggregate principal amount of Water, Sewer, and Storm Water Revenue Bonds, Series 2023 (the “Series 2023 Bonds”). The Series 2023 Bonds are being issued pursuant to a General Indenture of Trust dated as of April 1, 2007 (the “General Indenture”) as previously supplemented, and an Tenth Supplemental Indenture of Trust dated as of September 1, 2023 (the “Tenth Supplemental Indenture” and together with the General Indenture, the “Indenture”) each between the Issuer and Zions Bancorporation, National Association, as trustee. The City hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined Rule. In connection with the aforementioned transactions, the City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Series 2023 Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

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

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

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2023 Bonds (including persons holding Series 2023 Bonds through nominees, depositories or other intermediaries).

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

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500, and the website address of which is www.msrb.org 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 Series 2023 Bonds.

“Participating Underwriter” shall mean _____, as original underwriter of the Series 2023 Bonds.

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

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report and shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of each fiscal year of the City (presently June 30), commencing

with the fiscal year ended June 30, 2023, provide to the MSRB in electronic format an Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) business days prior to said date, the City shall provide the Annual Report to the Dissemination Agent. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(e).

(b) If by fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent shall contact the City to determine if the City is in compliance with 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 subsections (a) and (b), the Dissemination Agent (or the City) shall, in a timely manner, send a notice of a failure to file the Annual Report to the MSRB in an electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the website address to which the MSRB directs the annual reports to be submitted; and

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

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

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

(ii) An update of the financial and operating information in the Official Statement relating to the City of the type contained in the tables under the heading: "THE SYSTEM—The Sewer Facilities—Service Connections," "—Major Users of the Sewer Facilities," "THE SYSTEM—The Water Facilities—Water Connections," "—Major Water Users," and "HISTORICAL OPERATIONS AND PRO FORMA DEBT SERVICE COVERAGE."

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

Section 5. Reporting of Significant Events.

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

(i) Principal and interest payment delinquencies;

- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2023 Bonds or other material events affecting the tax status of the Series 2023 Bonds;
- (vi) Defeasances;
- (vii) Tender offers;
- (viii) Bankruptcy, insolvency, receivership or similar proceedings;
- (ix) Rating changes; or
- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2023 Bonds in a timely manner not more than ten (10) business days after the Listed Event, if material:

- (i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
- (ii) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent;
- (iii) Non-payment related defaults;
- (iv) Modifications to the rights of the owners of the Series 2023 Bonds;
- (v) Series 2023 Bond calls;
- (vi) Release, substitution or sale of property securing repayment of the Series 2023 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 holders of the Series 2023 Bonds.

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

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

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

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2023 Bonds. If such termination occurs prior to the final maturity of the Series 2023 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The City will serve as the initial Dissemination Agent under this Disclosure Undertaking.

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (as defined in the Rule) with respect to the Series 2023 Bonds, or the type of business conducted;

(b) The Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2023 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2023 Bonds.

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

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Series 2023 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this

Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an “event of default” under the Indenture, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2023 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2023 Bonds, and shall create no rights in any other person or entity.

Dated _____, 2023.

MIDVALE CITY, UTAH

(SEAL)

By: _____
Mayor

ATTEST:

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:

Re: \$_____ Midvale City, Utah Water, Sewer, and Storm Water Revenue Bonds, Series 2023

We have acted as bond counsel for Midvale City, Utah (the "Issuer") in connection with the issuance by the Issuer of \$_____ Water, Sewer, and Storm Water Revenue Bonds, Series 2023 (the "Series 2023 Bonds"). The Series 2023 Bonds are being issued pursuant to (i) (ii) resolutions of the Issuer adopted on June 20, 2023 and [July 18], 2023; (ii) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 193, as amended; and (iii) a General Indenture of Trust dated as of April 1, 2007, as heretofore supplemented (the "General Indenture") and as further supplemented by an Tenth Supplemental Indenture of Trust dated as of September 1, 2023 (the "Tenth Supplemental Indenture" and, collectively, with the General Indenture, the "Indenture") each between the Issuer and Zions Bancorporation, National Association, as trustee. The Series 2023 Bonds are being issued to (i) finance improvements to the City's water, sewer, and storm water facilities and (ii) pay costs associated with the issuance of the Series 2023 Bonds.

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 Issuer, constitutes a valid and binding obligation of the Issuer 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 Issuer 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 Issuer.

3. The interest on the Series 2023 Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2023 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the 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 Series 2023 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

5. 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

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds are to be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate is to be issued for each series of the Series 2023 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P’s rating of AA+. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. Neither the City nor the Underwriter makes any representation about such information. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2023 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 the 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. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 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 are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners are to be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2023 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2023 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.

**[APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY]**