

RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS

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WHEREAS, the Skyline Mountain Special Service District, Utah (the “*District*”) is a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah;

WHEREAS, the District considers it necessary and desirable and for the benefit of the District and the users of the District’s water system (the “*System*”) to issue revenue bonds for the purpose of (i) financing a portion of the cost of water system improvements (the “*Project*”), (ii) refunding the Issuer’s outstanding water revenue bonds (the “*Refunded Bonds*”), and (iii) paying a portion of the costs related to the issuance of the Bonds (defined below);

WHEREAS, pursuant to and in accordance with the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “*Utah Code*”) and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code (collectively, the “*Act*”), the Master Indenture (the “*Master Indenture*”) (the form of which is attached hereto as *Exhibit A*), and a Supplemental Indenture (the “*Supplemental Indenture*” and, together with the Master Indenture, the “*Indenture*”), (the form of which is attached hereto as *Exhibit B*), the District has determined that it is in the best interest of the District to (a) issue not more than \$3,300,000 Revenue Bonds, Series 2022 (the “*Bonds*”) pursuant to this Resolution and the Indenture to provide funds for the purpose of (i) financing a portion of the Project; (ii) refunding the Refunded Bonds; and (iii) paying costs of issuance relating to the issuance and delivery of the Bonds, (b) to sell the Bonds to the State of Utah, Drinking Water Board (the “*State Agency*”), and (c) to cause the proceeds of the sale of the Bonds to be applied in accordance with the Indenture;

WHEREAS, the District is authorized by the Act to enter into the Indenture and to issue the Bonds;

WHEREAS, Sections 11-14-316 of the Utah Code provides for the publication of a Notice of Bonds to be Issued and the Board of Trustees of the District (the “*Board*”) desires to publish such a Notice of Bonds to be Issued with respect to said Bonds; and

WHEREAS, Section 11-14-318 of the Utah Code requires that a public hearing be held to receive input from the public with respect to the issuance of the Series 2022 Bonds and the Project and the need, cost and effect on water rates of the Project after giving notice of such public hearing as provided by law, and the District desires to ratify the posting of such a notice;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Skyline Mountain Special Service District, Utah, as follows:

Section 1. Issuance of Bonds. . (a) For the purposes set forth above, there is hereby authorized and directed the execution, issuance, sale and delivery of the Bonds in the aggregate principal amount not to exceed \$3,300,000. The Bonds shall be dated as of the date of the initial delivery thereof. The Bonds shall be in authorized denominations, shall be payable, and shall be executed and delivered all as provided in the Indenture. The Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

(b) The form of the Bonds set forth in the Supplemental Indenture, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture, is hereby approved.

(c) The Bonds shall be special obligations of the Issuer, payable from and secured by a pledge and assignment of the Revenues (as defined in the Indenture) received by the Issuer and of certain other moneys held under the Indenture on a parity with any other Bonds (as defined in the Indenture) issued from time to time under the Master Indenture. The Bonds shall not be obligations of the State or any other political subdivision thereof, other than the Issuer, and neither the faith and credit nor the ad valorem taxing or appropriation power of the State or any political subdivision thereof, including the Issuer, is pledged to the payment of the Bonds. The Bonds shall not constitute general obligations of the Issuer or any other entity or body, municipal, state or otherwise.

Section 2. Bond Details; Delegation of Authority. (a) The Bonds shall mature in the years and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the Closing Date, payable semiannually each year, and at the rates per annum and commencing on the dates, all as provided in the Supplemental Indenture.

(b) There is hereby delegated to the Designated Officer, subject to the limitations contained in this resolution, the power to determine and effectuate the following with respect to the Bonds and the Designated Officer is hereby authorized to make such determinations and effectuations:

(i) the principal amount of each series of the Bonds necessary to accomplish the purpose of the Bonds set forth in the recitals hereto and the aggregate principal amount of each series of the Bonds to be executed and delivered pursuant to the Indenture; *provided* that the aggregate principal amount of the Bonds shall not exceed \$3,300,000;

(ii) the maturity date or dates and principal amount of each maturity of the Bonds to be issued; *provided, however*, that the Bonds mature over a period of not to exceed 31 years from their date or dates;

(iii) the interest rate or rates of the Bonds and the date on which payment of such interest commences, *provided, however*, that the interest rate or rates to be borne by any Bond shall not exceed 5.00% per annum;

(iv) the sale of the Bonds and the purchase price to be paid by the Underwriter of such Bonds; *provided, however*, that the discount from par of each series of the Bonds shall not exceed 2.00% (expressed as a percentage of the principal amount);

(v) the Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts thereof;

(vi) the time and redemption price, if any, at which the Bonds may be called for redemption prior to their maturity at the option of the Issuer;

(viii) the use and deposit of the proceeds of the Bonds; and

(ix) any other provisions deemed advisable by the Designated Officers not materially in conflict with the provisions of this resolution and the Parameters Resolution.

For purposes of this resolution and the Bonds, “*Designated Officer*” means (i) the Water Superintendent of the Issuer, or (ii) in the event of the absence or incapacity of the Water Superintendent, the Board Chair.

The Board delegates to the Designated Officer the authority to determine whether to pursue a competitive sale, private placement or negotiated sale for the sale of the Bonds. If a private placement or negotiated sale is pursued, the Designated Officer is authorized to select a purchaser or underwriter for the Bonds and to obtain such information from potential purchasers or underwriters as he or she deems necessary to make such determination. If a competitive sale is pursued, immediately following the date and time specified in the Official Notice of Bond Sale attached to the Official Statement for the receipt of bids for the purchase of the Bonds, the Designated Officer shall obtain such information as he or she deems necessary to make such determinations as provided above and to determine the bid of the responsible bidder that results in the lowest effective interest rate to the Issuer.

After the Designated Officer makes such determinations as provided above, the Chair shall execute the Supplemental Indenture containing such terms and provisions of the Bonds, which execution shall be conclusive evidence of the action or determination of the Chair as to the matters stated therein. The provisions of the Supplemental Indenture shall be deemed to be incorporated in this Resolution.

Section 3. Approval and Execution of Master Indenture and Supplemental Indenture. The Master Indenture and the Supplemental Indenture, in substantially the forms attached hereto as *Exhibits A and B*, respectively, are hereby authorized and approved, and the Chair is hereby authorized, empowered and directed to execute and deliver the Master Indenture and the Supplemental Indenture on behalf of the District, and the District Clerk is hereby authorized, empowered and directed to attest such execution and to countersign, and to affix the seal of the District to the Master Indenture and the Supplemental Indenture, with such changes to the Master Indenture and the Supplemental Indenture from the forms attached hereto as are approved by the Chair, his or her execution thereof to constitute conclusive evidence of such approval. The provisions of the Master Indenture and the Supplemental Indenture, as executed and delivered, are

hereby incorporated in and made a part of this resolution. The Master Indenture and the Supplemental Indenture shall constitute a "system of registration" for all purposes of the Registered Public Obligations Act of Utah.

Section 4. Sale of the Bonds. (a) The Bonds are hereby authorized to be sold to the State Agency at the price set forth in the Supplemental Indenture, *provided* that such terms and provisions shall not exceed the limitations set forth in Section 1 herein.

(b) The Bonds shall be delivered to the State Agency and the proceeds of sale thereof applied as provided in the Indenture.

(c) The Chair is hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Bonds, and the District Clerk is hereby authorized, empowered and directed to attest such execution and to countersign, and to affix the seal of the District.

Section 5. Other Actions With Respect to the Bonds. The officers and employees of the District shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the issuance of the Bonds including, without limitation, the execution and delivery of any documents required to be delivered in connection with the sale and delivery of the Bonds. If (a) the Chair or (b) the District Clerk shall be unavailable to execute or attest and countersign, respectively, the Bonds or the other documents that they are hereby authorized to execute, attest and countersign the same may be executed, or attested and countersigned, respectively, (i) by any member of the Board or (ii) by the Water Supervisor.

Section 6. Notice of Bonds to be Issued. In accordance with the provisions of Section 11-27-4 of the Act, the District Clerk shall cause the "Notice of Bonds to be Issued," in substantially the form attached hereto as *Exhibit C*, to be published one time in a newspaper of general circulation in the District, and shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in her office for public examination during the regular business hours of the District until at least thirty (30) days from and after the date of publication thereof.

For a period of thirty (30) days from and after publication of the Notice of Bonds to be Issued, any person in interest shall have the right to contest the legality of this Resolution or the Bonds hereby authorized or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Resolution or the Bonds or any provisions made for the security and payment of the Bonds for any cause.

Section 7. Public Hearing. (a) In satisfaction of the requirements of Section 11-14-318 of the Act, a public hearing was held by the District to receive input from the public with respect to the issuance by the District of the Bonds and the Project.

(b) The District caused the “Notice of Public Hearing,” in substantially the form attached hereto as *Exhibit D*, to be published on the Utah Public Notice Website no less than 14 days before the public hearing described in this Section.

Section 8. Actions Taken. All proceedings, resolutions and actions of the District and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

Section 9. Resolution Irrepealable. Following the execution and delivery of the Indenture, this resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, cancelled, and discharged.

Section 10. Conflicting Provisions. All resolutions, orders and regulations or parts thereof heretofore adopted or passed that are in conflict with any of the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

Section 11. Severability. It is hereby declared that all parts of this Resolution are severable, and if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining provisions, paragraphs, clauses or provisions of this Resolution.

Section 12. Effective Date. This resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Board of Trustees of the Skyline Mountain Special Service District, Utah, March 9, 2022.

SKYLINE MOUNTAIN SPECIAL SERVICE DISTRICT,
UTAH

DocuSigned by:
By Greg Bohm
B33357F547114A7...
Chair

ATTEST AND COUNTERSIGN:

DocuSigned by:
By Brea Mark
EBEBATC84212467...
District Clerk



EXHIBIT A

FORM OF MASTER INDENTURE

EXHIBIT B

FORM OF SUPPLEMENTAL INDENTURE

EXHIBIT C**NOTICE OF BONDS TO BE ISSUED**

NOTICE IS HEREBY GIVEN pursuant to the provisions of Sections 11-14-316 of the Utah Code Annotated 1953, as amended, that on March 9, 2022, the Board of Trustees of the Skyline Mountain Special Service District (the "*District*"), adopted a resolution (the "*Resolution*") in which it authorized and approved the issuance of the District's revenue bonds in one or more series (the "*Bonds*") in an aggregate principal amount of not to exceed Three Million Three Hundred Thousand Dollars, to mature in not more than thirty-one years from their date or dates, to bear interest at a rate or rates not to exceed five percent per annum, and to be sold at par.

The Bonds are to be issued and sold by the District pursuant to (1) the Resolution, (2) a Master Indenture (the "*Master Indenture*"), and (3) a Supplemental Indenture (the "*Supplemental Indenture*"), supplementing the Master Indenture.

The Bonds are to be issued for the purpose of (1) financing the costs of a portion of the cost of improvements (the "*Project*") to the District's water system (the "*System*"), (2) refunding the Issuer's outstanding water revenue bonds (the "*Refunded Bonds*"), and (3) paying the costs incurred in connection with the issuance and sale of the Bonds, all as set forth in the Resolution, the Master Indenture and the Supplemental Indenture.

The Bonds will be payable from and secured by the revenues of the System (the "*Revenues*") and certain other funds, as more particularly described in the Master Indenture. The District currently does not have any bonds outstanding that are secured by the Revenues. The estimated total cost to the District for the proposed Bonds, if the Bonds are held until maturity and based on estimated interest rates currently in effect, is \$4,404,400.

A copy of the Resolution (including drafts of the Master Indenture and Supplemental Indenture) is on file in the office of the District, located at 22130 North 11750 East, in Fairview, Utah, where it may be examined during regular business hours of the District from 8:00 A.M. to 5:00 P.M. Said Resolution (including drafts of the Master Indenture and Supplemental Indenture) will be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of thirty days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the above-described Resolution (including the Master Indenture and the Supplemental Indenture) of the Board of Trustees of the Skyline Mountain Special Service District, Utah, or the Bonds or any provisions made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause.

DATED March 9, 2022.

SKYLINE MOUNTAIN SPECIAL SERVICE DISTRICT, UTAH

EXHIBIT D

NOTICE OF PUBLIC HEARING

SKYLINE MOUNTAIN SPECIAL SERVICE DISTRICT, UTAH

PUBLIC NOTICE IS HEREBY GIVEN that on March 9, 2022, the Board of Trustees (the “Board”) of the Skyline Mountain Special Service District, Utah (the “District”) will hold and conduct a public hearing to receive input from the public with respect to the issuance of revenue bonds (the “Bonds”) and the potential economic impact that the project for which the bonds pay all or part of the cost will have on the private sector, pursuant to Section 11-14-318 of the Utah Code Annotated 1953, as amended.

PURPOSE FOR THE ISSUANCE OF THE BONDS

The District intends to issue the Bonds for the purpose of (1) financing the costs of a portion of the cost of improvements (the “Project”) to the District’s water system (the “System”); (2) refunding the Issuer’s outstanding water revenue bonds (the “Refunded Bonds”); and (3) paying the costs incurred in connection with the issuance and sale of the Bonds.

MAXIMUM PRINCIPAL AMOUNT OF THE BONDS

The District intends to issue the Bonds in an amount not to exceed \$3,300,000.

THE TAXES, IF ANY, PROPOSED TO BE PLEDGED

The District will not pledge any taxes of the District for the payment of the Bonds. Instead, the District will pledge, pursuant to a Master Indenture, the revenues attributable to the System for the payment of the Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The District will hold and conduct a public hearing during a public meeting that is to begin at 6:00 p.m. on March 9, 2022. The public hearing will be held electronically, via Zoom phone and video conferencing (zoom.com). The meeting ID for the Zoom meeting is: 6703294536. All members of the public are invited to attend and participate in the public hearing. Prior to the public hearing, written comments may be submitted to the District, to the attention of the District Clerk, 22130 North 11750 East, Fairview, Utah 84629.

DATED February 7, 2022.

SKYLINE MOUNTAIN SPECIAL SERVICE DISTRICT, UTAH