

City Council Staff Report



Applicant:

NA

Location:

NA

Prepared By:

Steven Lord, Public Works Director

Public Hearing:

No

Attachments:

Second Amended and Restated Interlocal Agreement for Construction, Use, and Maintenance of Joint Wastewater Treatment Facility and Joint Trunklines

Spanish Fork Bond Breakdown

REQUEST

Enter an amended and restated interlocal agreement for construction, use, and maintenance of joint wastewater treatment facility and joint trunklines.

BACKGROUND & DESCRIPTION

Prior to 1995, a wastewater collections system did not exist in Mapleton City and wastewater was treated using individual septic systems. Construction began on a wastewater collections system for the City in 1996. Since that time, new development has been required to connect to the existing wastewater collections system and wastewater flow has been collected and conveyed to the Spanish Fork City Wastewater Treatment Plant for treatment.

The cities entered an interlocal agreement for the use and maintenance of a joint wastewater treatment facility on February 19, 2004. This agreement was supplemented by an addendum contract on May 17, 2005. An amended and restated agreement was then entered on May 17, 2011.

The prior agreements state that the cities jointly own a system for the transmission and disposal of wastewater sewage. Spanish Fork City owns the real property where the treatment facility is located and 73.6% of the capacity of the plant, whereas Mapleton owns 26.4% of the capacity. In 2016 construction of a new joint trunkline was commenced which is not discussed in the prior agreements. Due to degrading infrastructure and government regulations, the need has arisen to construct a new treatment facility. Based on the construction of the new treatment facility, the capacities for each City and the compensation paid need to be adjusted. A cooperative effort from each City to provide for the sewage collection and treatment needs of the citizens is a basic underlying goal of the Cities.

EVALUATION

The following paragraphs outline the key points of the proposed interlocal agreement.

Termination of Prior Agreement

This agreement terminates and replaces the prior agreements.

Joint Trunklines

Two joint trunklines exist between the Cities. The first (1995 trunkline) runs from the Union Pacific Railroad right of way on Slant Road. Mapleton owns 61% of the 1995 trunkline. The second (2016

trunkline) runs from the Union Pacific Railroad right of way on 2400 South to the connection to the 1995 trunkline at approximately 1789 East 970 North (Spanish Fork). Mapleton owns 65% of the 2016 joint trunkline. Operations and Maintenance is managed by Spanish Fork City and all O&M costs for the joint trunklines are paid for by the Cities in the same ratio as their ownership interests.

Purpose and Term of Agreement

The agreement has a term of 50 years and three purposes:

1. The use, operation, and maintenance of the facilities for the mutual benefit of the Cities.
2. Provide for an advisory group to give recommendations regarding the operations and maintenance of the facilities.
3. Establish a system for sharing the costs and expenses related to the use, operation, and maintenance of the facilities.

Ownership of Treatment Facilities and Purchase of Capacity

Each city retains independent ownership of its relative collection system. Mapleton retains the right to connect to the joint trunklines and therefore deliver its wastewater to Spanish Fork.

Spanish Fork will obtain funding in the form of a bond to construct the new treatment facility. Mapleton will pay Spanish Fork annual payments from its collection revenues. Mapleton will provide a on time coverage payment to Spanish Fork of \$1,686,195 which will be held in an interest-bearing account until the bond is paid off at which time the payment and any earned interest will be returned to Mapleton City.

Mapleton is purchasing 20% of the treatment facility including land. The purchase price is \$15,995,000. If Mapleton's 20% share differs from the final construction cost of the facility, both parties agree to amend the purchase price and payment obligations accordingly.

Mapleton owes Spanish Fork \$2,800,000 pursuant to the 2011 agreement and the annexation of the Ensign Bickford Property. This amount should be paid in full on or before April 30, 2026. The cities have agreed to amend the agreement to spread the payment over three years. Mapleton will make three annual payments of \$933,333 each in 2025, 2026, and 2027.

Exceeding or Adjustments to Treatment Facility Capacities

If either City's needs exceed its purchased capacity, the requiring City will be solely responsible for plant expansion costs. The other City may choose to participate in the costs and therefore increase its capacity ownership. The agreement will be amended to reflect new ownership shares. If expansion or upgrades are required by regulation, each City will be responsible for its proportionate share of the costs based on ownership ratios at the time of the expansion.

If either City exceeds its capacity share, the other's share may be used provided it is not needed by the other City. If the total capacity of the facility is ever exceeded, the City that is using more capacity than owned shall immediately take action to reduce their usage of the treatment facility.

Operation and Maintenance of the Treatment Facility and Joint Trunklines

Spanish Fork City shall operate the facilities and have the following responsibilities:

Management, operation and maintenance, compliance with laws, insurance, expenditures,

collections, maintain records, budget preparation, and administer the pretreatment program. Mapleton agrees to adopt code to support the Spanish Fork City Pretreatment Program.

Charges for Operation and Maintenance Expenses

Actual operation and maintenance costs for the treatment facility will be paid by Mapleton City in a ratio determined using flow meters installed in the two joint trunklines. O&M costs are apportioned based on actual treated wastewater as measured in the joint trunklines and at the inflow of the wastewater treatment facility.

Mapleton commits to set user rates at a level sufficient to provide revenues to cover 125% of the committed annual bond payment due to Spanish Fork City. There shall be no free service offered in Mapleton.

Advisory Group

The advisory group will be made up of three (3) representatives from Spanish Fork and two (2) representatives from Mapleton. Advisory group members will be selected by the respective entities governing body. The advisory group will make non-binding recommendations for consideration of each City governing body. It is understood that the primary purpose of the advisory group is to further the cooperation between the Cities and render advisory assistance to the governing bodies. The advisory group will advise on the following topics: budget amendments, operations, maintenance, facility improvements, amendments to the Agreement, and changes to proportionate share of the facilities where appropriate.

Buy Back Provisions

Provision is made in the agreement to protect Mapleton's capital investment, should Mapleton no longer desire to partner with Spanish Fork City for wastewater treatment. Mapleton must give Spanish Fork one (1) year written notice or their intent to stop sending wastewater to the treatment facility. Spanish Fork will reimburse Mapleton for the cost of the capital investment less depreciation as negotiated over a period of ten (10) years unless otherwise negotiated at the time of separation.

Miscellaneous Provisions

Each City agrees to adopt ordinances and provisions necessary to permit the purposes of this agreement to be accomplished. The cities agree to cooperate with each other in planning and executing the operations of the treatment facility. Force Majeure. The agreement is governed by the laws of the State of Utah. Cities are not deemed partners or joint venturers. Spanish Fork is responsible to comply with all state and federal wastewater treatment regulations. The agreement may be amended by mutual written consent. Spanish Fork maintains ownership of all treated wastewater. In the event that wastewater can be sold or reused, the proceeds will be used to reduce the operations and maintenance cost of the facility

RECOMMENDATION

Enter an amended and restated interlocal agreement for construction, use, and maintenance of joint wastewater treatment facility and joint trunklines.

RESOLUTION NO. 2020-

A RESOLUTION ENTERING INTO AN AMENDED INTERLOCAL AGREEMENT WITH SPANISH FORK CITY FOR CONSTRUCTION, USE, AND MAINTENANCE OF JOINT WASTEWATER TREATMENT FACILITY AND JOINT TRUNKLINES.

WHEREAS the Cities entered into an [interlocal agreement for the use and maintenance of a joint wastewater treatment facility on February 19, 2004](#), which agreement was supplemented by that [Addendum Contract dated May 17, 2005](#), which agreement was amended and restated by an [Amended and Restated Inter-Local Agreement dated May 17, 2011](#) (collectively, “Prior Agreement”);

WHEREAS, pursuant to the terms of the Prior Agreement, the Cities jointly own a system for the transmission and disposal of wastewater sewage (the “System”);

WHEREAS, pursuant to the terms of the Prior Agreement, Spanish Fork owns the real property whereupon the existing Treatment Facility is located on and owns 73.6% of the facility capacity, while Mapleton owns 26.4% of the Treatment Facility capacity;

WHEREAS an additional joint trunkline was commenced in 2016;

WHEREAS Cities desire to construct a new wastewater treatment facility due to degrading infrastructure and government regulation, necessitating the need to further amend the Prior Agreement;

WHEREAS, based on the construction of the new Treatment Facility, the capacities for each City and the compensation to be paid therefore need to be adjusted; and

WHEREAS a cooperative effort from each City to provide for the sewage collection and treatment needs of the citizens is a basic underlying goal of the Cities;

NOW THEREFORE, BE IT RESOLVED by the City Council of Mapleton, Utah to enter an amended interlocal agreement with Spanish Fork City for construction, use, and maintenance of joint wastewater treatment facility and joint trunklines.

This resolution adopted this 16th day of December, 2020 by the City Council of Mapleton City, Utah.

Dallas Hakes
Mayor

ATTEST:

Camille Brown
City Recorder

Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds

Series 2020

(Final Numbers: Breakdown)

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Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds

Series 2020

(Final Numbers: Breakdown)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/05/2020	-	-	-	-	-
03/01/2021	-	-	1,390,757.50	1,390,757.50	1,390,757.50
09/01/2021	-	-	1,215,225.00	1,215,225.00	-
03/01/2022	-	-	1,215,225.00	1,215,225.00	2,430,450.00
09/01/2022	-	-	1,215,225.00	1,215,225.00	-
03/01/2023	-	-	1,215,225.00	1,215,225.00	2,430,450.00
09/01/2023	2,795,000.00	5.000%	1,215,225.00	4,010,225.00	-
03/01/2024	-	-	1,145,350.00	1,145,350.00	5,155,575.00
09/01/2024	2,925,000.00	5.000%	1,145,350.00	4,070,350.00	-
03/01/2025	-	-	1,072,225.00	1,072,225.00	5,142,575.00
09/01/2025	3,075,000.00	5.000%	1,072,225.00	4,147,225.00	-
03/01/2026	-	-	995,350.00	995,350.00	5,142,575.00
09/01/2026	3,250,000.00	5.000%	995,350.00	4,245,350.00	-
03/01/2027	-	-	914,100.00	914,100.00	5,159,450.00
09/01/2027	3,400,000.00	5.000%	914,100.00	4,314,100.00	-
03/01/2028	-	-	829,100.00	829,100.00	5,143,200.00
09/01/2028	3,575,000.00	5.000%	829,100.00	4,404,100.00	-
03/01/2029	-	-	739,725.00	739,725.00	5,143,825.00
09/01/2029	3,775,000.00	5.000%	739,725.00	4,514,725.00	-
03/01/2030	-	-	645,350.00	645,350.00	5,160,075.00
09/01/2030	3,975,000.00	5.000%	645,350.00	4,620,350.00	-
03/01/2031	-	-	545,975.00	545,975.00	5,166,325.00
09/01/2031	4,150,000.00	4.000%	545,975.00	4,695,975.00	-
03/01/2032	-	-	462,975.00	462,975.00	5,158,950.00
09/01/2032	4,325,000.00	4.000%	462,975.00	4,787,975.00	-
03/01/2033	-	-	376,475.00	376,475.00	5,164,450.00
09/01/2033	4,450,000.00	2.000%	376,475.00	4,826,475.00	-
03/01/2034	-	-	331,975.00	331,975.00	5,158,450.00
09/01/2034	4,525,000.00	1.800%	331,975.00	4,856,975.00	-
03/01/2035	-	-	291,250.00	291,250.00	5,148,225.00
09/01/2035	4,625,000.00	2.000%	291,250.00	4,916,250.00	-
03/01/2036	-	-	245,000.00	245,000.00	5,161,250.00
09/01/2036	4,700,000.00	2.000%	245,000.00	4,945,000.00	-
03/01/2037	-	-	198,000.00	198,000.00	5,143,000.00
09/01/2037	4,800,000.00	2.000%	198,000.00	4,998,000.00	-
03/01/2038	-	-	150,000.00	150,000.00	5,148,000.00
09/01/2038	4,900,000.00	2.000%	150,000.00	5,050,000.00	-
03/01/2039	-	-	101,000.00	101,000.00	5,151,000.00
09/01/2039	5,000,000.00	2.000%	101,000.00	5,101,000.00	-
03/01/2040	-	-	51,000.00	51,000.00	5,152,000.00
09/01/2040	5,100,000.00	2.000%	51,000.00	5,151,000.00	-
03/01/2041	-	-	-	-	5,151,000.00
Total	\$73,345,000.00	-	\$25,656,582.50	\$99,001,582.50	-

Yield Statistics

Bond Year Dollars	\$916,507.14
Average Life	12.496 Years
Average Coupon	2.7993871%
Net Interest Cost (NIC)	1.7291617%
True Interest Cost (TIC)	1.6317913%
Bond Yield for Arbitrage Purposes	1.5603402%
All Inclusive Cost (AIC)	1.6783020%

IRS Form 8038

Net Interest Cost	1.5551115%
Weighted Average Maturity	12.009 Years

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Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds

Series 2020

(Final Numbers: Breakdown)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Par	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
09/01/2023	Serial Coupon	5.000%	0.250%	100.000%	2,795,000.00	114.527%	-	-	-	3,201,029.65
09/01/2024	Serial Coupon	5.000%	0.300%	100.000%	2,925,000.00	119.008%	-	-	-	3,480,984.00
09/01/2025	Serial Coupon	5.000%	0.350%	100.000%	3,075,000.00	123.357%	-	-	-	3,793,227.75
09/01/2026	Serial Coupon	5.000%	0.450%	100.000%	3,250,000.00	127.224%	-	-	-	4,134,780.00
09/01/2027	Serial Coupon	5.000%	0.550%	100.000%	3,400,000.00	130.825%	-	-	-	4,448,050.00
09/01/2028	Serial Coupon	5.000%	0.700%	100.000%	3,575,000.00	133.690%	-	-	-	4,779,417.50
09/01/2029	Serial Coupon	5.000%	0.850%	100.000%	3,775,000.00	136.160%	-	-	-	5,140,040.00
09/01/2030	Serial Coupon	5.000%	1.000%	100.000%	3,975,000.00	136.425%	c 1.158%	03/01/2030	100.000%	5,422,893.75
09/01/2031	Serial Coupon	4.000%	1.100%	100.000%	4,150,000.00	126.278%	c 1.426%	03/01/2030	100.000%	5,240,537.00
09/01/2032	Serial Coupon	4.000%	1.170%	100.000%	4,325,000.00	125.556%	c 1.656%	03/01/2030	100.000%	5,430,297.00
09/01/2033	Serial Coupon	2.000%	1.600%	100.000%	4,450,000.00	103.536%	c 1.697%	03/01/2030	100.000%	4,607,352.00
09/01/2034	Serial Coupon	1.800%	1.800%	100.000%	4,525,000.00	100.000%	-	-	-	4,525,000.00
09/01/2035	Serial Coupon	2.000%	1.800%	100.000%	4,625,000.00	101.750%	c 1.866%	03/01/2030	100.000%	4,705,937.50
09/01/2036	Serial Coupon	2.000%	1.850%	100.000%	4,700,000.00	101.309%	c 1.905%	03/01/2030	100.000%	4,761,523.00
09/01/2038	Term 1 Coupon	2.000%	2.000%	100.000%	9,700,000.00	100.000%	-	-	-	9,700,000.00
09/01/2039	Serial Coupon	2.000%	2.020%	100.000%	5,000,000.00	99.684%	-	-	-	4,984,200.00
09/01/2040	Serial Coupon	2.000%	2.040%	100.000%	5,100,000.00	99.343%	-	-	-	5,066,493.00
Total	-	-	-	-	\$73,345,000.00	-	-	-	-	\$83,421,762.15

Bid Information

Par Amount of Bonds	\$73,345,000.00
Reoffering Premium or (Discount)	10,076,762.15
Gross Production	\$83,421,762.15
Total Underwriter's Discount (0.365%)	\$(268,069.81)
Bid (113.373362%)	83,153,692.34
Total Purchase Price	\$83,153,692.34
Bond Year Dollars	\$916,507.14
Average Life	12.496 Years
Average Coupon	2.7993871%
Net Interest Cost (NIC)	1.7291617%
True Interest Cost (TIC)	1.6317913%

Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds

Series 2020

(Final Numbers: Breakdown)

Total Issue Sources And Uses

Dated 08/05/2020 | Delivered 08/05/2020

	Spanish Fork Portion	Mapleton Portion	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$57,390,000.00	\$15,955,000.00	\$73,345,000.00
Reoffering Premium	7,885,320.50	2,191,441.65	10,076,762.15
Total Sources	\$65,275,320.50	\$18,146,441.65	\$83,421,762.15
Uses Of Funds			
Deposit to Project Construction Fund	64,750,000.00	18,000,000.00	82,750,000.00
Costs of Issuance	224,548.30	62,451.70	287,000.00
Total Underwriter's Discount (0.365%)	209,755.63	58,314.18	268,069.81
Gross Bond Insurance Premium	89,085.88	24,765.94	113,851.82
Rounding Amount	1,930.69	909.83	2,840.52
Total Uses	\$65,275,320.50	\$18,146,441.65	\$83,421,762.15

Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds, Series 2020

(\$57,390,000 Spanish Fork Portion)

(Final Numbers)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/05/2020	-	-	-	-	-
03/01/2021	-	-	1,088,235.06	1,088,235.06	1,088,235.06
09/01/2021	-	-	950,885.00	950,885.00	-
03/01/2022	-	-	950,885.00	950,885.00	1,901,770.00
09/01/2022	-	-	950,885.00	950,885.00	-
03/01/2023	-	-	950,885.00	950,885.00	1,901,770.00
09/01/2023	2,185,000.00	5.000%	950,885.00	3,135,885.00	-
03/01/2024	-	-	896,260.00	896,260.00	4,032,145.00
09/01/2024	2,290,000.00	5.000%	896,260.00	3,186,260.00	-
03/01/2025	-	-	839,010.00	839,010.00	4,025,270.00
09/01/2025	2,405,000.00	5.000%	839,010.00	3,244,010.00	-
03/01/2026	-	-	778,885.00	778,885.00	4,022,895.00
09/01/2026	2,545,000.00	5.000%	778,885.00	3,323,885.00	-
03/01/2027	-	-	715,260.00	715,260.00	4,039,145.00
09/01/2027	2,660,000.00	5.000%	715,260.00	3,375,260.00	-
03/01/2028	-	-	648,760.00	648,760.00	4,024,020.00
09/01/2028	2,795,000.00	5.000%	648,760.00	3,443,760.00	-
03/01/2029	-	-	578,885.00	578,885.00	4,022,645.00
09/01/2029	2,955,000.00	5.000%	578,885.00	3,533,885.00	-
03/01/2030	-	-	505,010.00	505,010.00	4,038,895.00
09/01/2030	3,110,000.00	5.000%	505,010.00	3,615,010.00	-
03/01/2031	-	-	427,260.00	427,260.00	4,042,270.00
09/01/2031	3,250,000.00	4.000%	427,260.00	3,677,260.00	-
03/01/2032	-	-	362,260.00	362,260.00	4,039,520.00
09/01/2032	3,385,000.00	4.000%	362,260.00	3,747,260.00	-
03/01/2033	-	-	294,560.00	294,560.00	4,041,820.00
09/01/2033	3,480,000.00	2.000%	294,560.00	3,774,560.00	-
03/01/2034	-	-	259,760.00	259,760.00	4,034,320.00
09/01/2034	3,540,000.00	1.800%	259,760.00	3,799,760.00	-
03/01/2035	-	-	227,900.00	227,900.00	4,027,660.00
09/01/2035	3,620,000.00	2.000%	227,900.00	3,847,900.00	-
03/01/2036	-	-	191,700.00	191,700.00	4,039,600.00
09/01/2036	3,680,000.00	2.000%	191,700.00	3,871,700.00	-
03/01/2037	-	-	154,900.00	154,900.00	4,026,600.00
09/01/2037	3,755,000.00	2.000%	154,900.00	3,909,900.00	-
03/01/2038	-	-	117,350.00	117,350.00	4,027,250.00
09/01/2038	3,835,000.00	2.000%	117,350.00	3,952,350.00	-
03/01/2039	-	-	79,000.00	79,000.00	4,031,350.00
09/01/2039	3,910,000.00	2.000%	79,000.00	3,989,000.00	-
03/01/2040	-	-	39,900.00	39,900.00	4,028,900.00
09/01/2040	3,990,000.00	2.000%	39,900.00	4,029,900.00	-
03/01/2041	-	-	-	-	4,029,900.00
Total	\$57,390,000.00	-	\$20,075,980.06	\$77,465,980.06	-

Yield Statistics

Bond Year Dollars	\$717,134.83
Average Life	12.496 Years
Average Coupon	2.7994708%
Net Interest Cost (NIC)	1.7291609%
True Interest Cost (TIC)	1.6317820%
Bond Yield for Arbitrage Purposes	1.5603402%
All Inclusive Cost (AIC)	1.6782896%

IRS Form 8038

Net Interest Cost	1.5550938%
Weighted Average Maturity	12.009 Years

Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds, Series 2020

(\$57,390,000 Spanish Fork Portion)

(Final Numbers)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Par	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
09/01/2023	Serial Coupon	5.000%	0.250%	100.000%	2,185,000.00	114.527%	-	-	-	2,502,414.95
09/01/2024	Serial Coupon	5.000%	0.300%	100.000%	2,290,000.00	119.008%	-	-	-	2,725,283.20
09/01/2025	Serial Coupon	5.000%	0.350%	100.000%	2,405,000.00	123.357%	-	-	-	2,966,735.85
09/01/2026	Serial Coupon	5.000%	0.450%	100.000%	2,545,000.00	127.224%	-	-	-	3,237,850.80
09/01/2027	Serial Coupon	5.000%	0.550%	100.000%	2,660,000.00	130.825%	-	-	-	3,479,945.00
09/01/2028	Serial Coupon	5.000%	0.700%	100.000%	2,795,000.00	133.690%	-	-	-	3,736,635.50
09/01/2029	Serial Coupon	5.000%	0.850%	100.000%	2,955,000.00	136.160%	-	-	-	4,023,528.00
09/01/2030	Serial Coupon	5.000%	1.000%	100.000%	3,110,000.00	136.425%	c 1.158%	03/01/2030	100.000%	4,242,817.50
09/01/2031	Serial Coupon	4.000%	1.100%	100.000%	3,250,000.00	126.278%	c 1.426%	03/01/2030	100.000%	4,104,035.00
09/01/2032	Serial Coupon	4.000%	1.170%	100.000%	3,385,000.00	125.556%	c 1.656%	03/01/2030	100.000%	4,250,070.60
09/01/2033	Serial Coupon	2.000%	1.600%	100.000%	3,480,000.00	103.536%	c 1.697%	03/01/2030	100.000%	3,603,052.80
09/01/2034	Serial Coupon	1.800%	1.800%	100.000%	3,540,000.00	100.000%	-	-	-	3,540,000.00
09/01/2035	Serial Coupon	2.000%	1.800%	100.000%	3,620,000.00	101.750%	c 1.866%	03/01/2030	100.000%	3,683,350.00
09/01/2036	Serial Coupon	2.000%	1.850%	100.000%	3,680,000.00	101.309%	c 1.905%	03/01/2030	100.000%	3,728,171.20
09/01/2038	Term 1 Coupon	2.000%	2.000%	100.000%	7,590,000.00	100.000%	-	-	-	7,590,000.00
09/01/2039	Serial Coupon	2.000%	2.020%	100.000%	3,910,000.00	99.684%	-	-	-	3,897,644.40
09/01/2040	Serial Coupon	2.000%	2.040%	100.000%	3,990,000.00	99.343%	-	-	-	3,963,785.70
Total	-	-	-	-	\$57,390,000.00	-	-	-	-	\$65,275,320.50

Bid Information

Par Amount of Bonds	\$57,390,000.00
Reoffering Premium or (Discount)	7,885,320.50
Gross Production	\$65,275,320.50
Total Underwriter's Discount (0.365%)	\$(209,755.63)
Bid (113.374394%)	65,065,564.87
Total Purchase Price	\$65,065,564.87
Bond Year Dollars	\$717,134.83
Average Life	12.496 Years
Average Coupon	2.7994708%
Net Interest Cost (NIC)	1.7291609%
True Interest Cost (TIC)	1.6317820%

Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds, Series 2020

(\$57,390,000 Spanish Fork Portion)

(Final Numbers)

Sources & Uses

Dated 08/05/2020 | Delivered 08/05/2020

Sources Of Funds

Par Amount of Bonds	\$57,390,000.00
Reoffering Premium	7,885,320.50

Total Sources	\$65,275,320.50
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Uses Of Funds

Deposit to Project Construction Fund	64,750,000.00
Costs of Issuance	224,548.30
Total Underwriter's Discount (0.365%)	209,755.63
Gross Bond Insurance Premium (11.5 bp)	89,085.88
Rounding Amount	1,930.69

Total Uses	\$65,275,320.50
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Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds, Series 2020

(\$15,955,000 Mapleton Portion)

(Final Numbers)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/05/2020	-	-	-	-	-
03/01/2021	-	-	302,522.44	302,522.44	302,522.44
09/01/2021	-	-	264,340.00	264,340.00	-
03/01/2022	-	-	264,340.00	264,340.00	528,680.00
09/01/2022	-	-	264,340.00	264,340.00	-
03/01/2023	-	-	264,340.00	264,340.00	528,680.00
09/01/2023	610,000.00	5.000%	264,340.00	874,340.00	-
03/01/2024	-	-	249,090.00	249,090.00	1,123,430.00
09/01/2024	635,000.00	5.000%	249,090.00	884,090.00	-
03/01/2025	-	-	233,215.00	233,215.00	1,117,305.00
09/01/2025	670,000.00	5.000%	233,215.00	903,215.00	-
03/01/2026	-	-	216,465.00	216,465.00	1,119,680.00
09/01/2026	705,000.00	5.000%	216,465.00	921,465.00	-
03/01/2027	-	-	198,840.00	198,840.00	1,120,305.00
09/01/2027	740,000.00	5.000%	198,840.00	938,840.00	-
03/01/2028	-	-	180,340.00	180,340.00	1,119,180.00
09/01/2028	780,000.00	5.000%	180,340.00	960,340.00	-
03/01/2029	-	-	160,840.00	160,840.00	1,121,180.00
09/01/2029	820,000.00	5.000%	160,840.00	980,840.00	-
03/01/2030	-	-	140,340.00	140,340.00	1,121,180.00
09/01/2030	865,000.00	5.000%	140,340.00	1,005,340.00	-
03/01/2031	-	-	118,715.00	118,715.00	1,124,055.00
09/01/2031	900,000.00	4.000%	118,715.00	1,018,715.00	-
03/01/2032	-	-	100,715.00	100,715.00	1,119,430.00
09/01/2032	940,000.00	4.000%	100,715.00	1,040,715.00	-
03/01/2033	-	-	81,915.00	81,915.00	1,122,630.00
09/01/2033	970,000.00	2.000%	81,915.00	1,051,915.00	-
03/01/2034	-	-	72,215.00	72,215.00	1,124,130.00
09/01/2034	985,000.00	1.800%	72,215.00	1,057,215.00	-
03/01/2035	-	-	63,350.00	63,350.00	1,120,565.00
09/01/2035	1,005,000.00	2.000%	63,350.00	1,068,350.00	-
03/01/2036	-	-	53,300.00	53,300.00	1,121,650.00
09/01/2036	1,020,000.00	2.000%	53,300.00	1,073,300.00	-
03/01/2037	-	-	43,100.00	43,100.00	1,116,400.00
09/01/2037	1,045,000.00	2.000%	43,100.00	1,088,100.00	-
03/01/2038	-	-	32,650.00	32,650.00	1,120,750.00
09/01/2038	1,065,000.00	2.000%	32,650.00	1,097,650.00	-
03/01/2039	-	-	22,000.00	22,000.00	1,119,650.00
09/01/2039	1,090,000.00	2.000%	22,000.00	1,112,000.00	-
03/01/2040	-	-	11,100.00	11,100.00	1,123,100.00
09/01/2040	1,110,000.00	2.000%	11,100.00	1,121,100.00	-
03/01/2041	-	-	-	-	1,121,100.00
Total	\$15,955,000.00	-	\$5,580,602.44	\$21,535,602.44	-

Yield Statistics

Bond Year Dollars	\$199,372.31
Average Life	12.496 Years
Average Coupon	2.7990861%
Net Interest Cost (NIC)	1.7291644%
True Interest Cost (TIC)	1.6318246%
Bond Yield for Arbitrage Purposes	1.5603402%
All Inclusive Cost (AIC)	1.6783466%

IRS Form 8038

Net Interest Cost	1.5551753%
Weighted Average Maturity	12.009 Years

2020 S Rev- | Mapleton Portion | 8/ 6/2020 | 11:35 AM

Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds, Series 2020

(\$15,955,000 Mapleton Portion)

(Final Numbers)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Par	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
09/01/2023	Serial Coupon	5.000%	0.250%	100.000%	610,000.00	114.527%	-	-	-	698,614.70
09/01/2024	Serial Coupon	5.000%	0.300%	100.000%	635,000.00	119.008%	-	-	-	755,700.80
09/01/2025	Serial Coupon	5.000%	0.350%	100.000%	670,000.00	123.357%	-	-	-	826,491.90
09/01/2026	Serial Coupon	5.000%	0.450%	100.000%	705,000.00	127.224%	-	-	-	896,929.20
09/01/2027	Serial Coupon	5.000%	0.550%	100.000%	740,000.00	130.825%	-	-	-	968,105.00
09/01/2028	Serial Coupon	5.000%	0.700%	100.000%	780,000.00	133.690%	-	-	-	1,042,782.00
09/01/2029	Serial Coupon	5.000%	0.850%	100.000%	820,000.00	136.160%	-	-	-	1,116,512.00
09/01/2030	Serial Coupon	5.000%	1.000%	100.000%	865,000.00	136.425%	c 1.158%	03/01/2030	100.000%	1,180,076.25
09/01/2031	Serial Coupon	4.000%	1.100%	100.000%	900,000.00	126.278%	c 1.426%	03/01/2030	100.000%	1,136,502.00
09/01/2032	Serial Coupon	4.000%	1.170%	100.000%	940,000.00	125.556%	c 1.656%	03/01/2030	100.000%	1,180,226.40
09/01/2033	Serial Coupon	2.000%	1.600%	100.000%	970,000.00	103.536%	c 1.697%	03/01/2030	100.000%	1,004,299.20
09/01/2034	Serial Coupon	1.800%	1.800%	100.000%	985,000.00	100.000%	-	-	-	985,000.00
09/01/2035	Serial Coupon	2.000%	1.800%	100.000%	1,005,000.00	101.750%	c 1.866%	03/01/2030	100.000%	1,022,587.50
09/01/2036	Serial Coupon	2.000%	1.850%	100.000%	1,020,000.00	101.309%	c 1.905%	03/01/2030	100.000%	1,033,351.80
09/01/2038	Term 1 Coupon	2.000%	2.000%	100.000%	2,110,000.00	100.000%	-	-	-	2,110,000.00
09/01/2039	Serial Coupon	2.000%	2.020%	100.000%	1,090,000.00	99.684%	-	-	-	1,086,555.60
09/01/2040	Serial Coupon	2.000%	2.040%	100.000%	1,110,000.00	99.343%	-	-	-	1,102,707.30
Total	-	-	-	-	\$15,955,000.00	-	-	-	-	\$18,146,441.65

Bid Information

Par Amount of Bonds	\$15,955,000.00
Reoffering Premium or (Discount)	2,191,441.65
Gross Production	\$18,146,441.65
Total Underwriter's Discount (0.365%)	\$(58,314.18)
Bid (113.369649%)	18,088,127.47
Total Purchase Price	\$18,088,127.47
Bond Year Dollars	\$199,372.31
Average Life	12.496 Years
Average Coupon	2.7990861%
Net Interest Cost (NIC)	1.7291644%
True Interest Cost (TIC)	1.6318246%

Spanish Fork City, Utah

\$73,345,000 Sewer Revenue Bonds, Series 2020

(\$15,955,000 Mapleton Portion)

(Final Numbers)

Sources & Uses

Dated 08/05/2020 | Delivered 08/05/2020

Sources Of Funds

Par Amount of Bonds	\$15,955,000.00
Reoffering Premium	2,191,441.65

Total Sources **\$18,146,441.65**

Uses Of Funds

Deposit to Project Construction Fund	18,000,000.00
Costs of Issuance	62,451.70
Total Underwriter's Discount (0.365%)	58,314.18
Gross Bond Insurance Premium (11.5 bp)	24,765.94
Rounding Amount	909.83

Total Uses **\$18,146,441.65**

**SECOND AMENDED AND RESTATED INTERLOCAL AGREEMENT FOR
CONSTRUCTION, USE, AND MAINTENANCE OF
JOINT WASTEWATER TREATMENT FACILITY AND JOINT TRUNKLINES**

This Agreement is made and entered into this ____ day of _____, 2020, by and between Spanish Fork City, and Mapleton City. The parties to this Agreement are sometimes referred to collectively herein as the “Cities” and separately as a “City.”

WITNESSETH

WHEREAS the Cities entered into an [interlocal agreement for the use and maintenance of a joint wastewater treatment facility on February 19, 2004](#), which agreement was supplemented by that [Addendum Contract dated May 17, 2005](#), which agreement was amended and restated by an [Amended and Restated Inter-Local Agreement dated May 17, 2011](#) (collectively, “Prior Agreement”);

WHEREAS, pursuant to the terms of the Prior Agreement, the Cities jointly own a system for the transmission and disposal of wastewater sewage (the “System”);

WHEREAS, pursuant to the terms of the Prior Agreement, Spanish Fork owns the real property whereupon the existing Treatment Facility is located on and owns 73.6% of the facility capacity, while Mapleton owns 26.4% of the Treatment Facility capacity;

WHEREAS an additional joint trunkline was commenced in 2016;

WHEREAS Cities desire to construct a new wastewater treatment facility due to degrading infrastructure and government regulation, necessitating the need to further amend the Prior Agreement;

WHEREAS, based on the construction of the new Treatment Facility, the capacities for each City and the compensation to be paid therefore need to be adjusted; and

WHEREAS a cooperative effort from each City to provide for the sewage collection and treatment needs of the citizens is a basic underlying goal of the Cities;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I DEFINITIONS

For the purposes of this Agreement the following terms shall have the respective meanings set forth below except where the context indicates otherwise:

1. ACT means the Interlocal Cooperation Act, [Utah Code Annotated §11-13-1](#) et. seq. (1953 as amended).
2. AGREEMENT means this document, the Second Amended and Restated Interlocal Agreement for Construction, Use, and Maintenance of Wastewater Treatment Facility and Joint Trunklines.
3. ANNUAL BUDGET means the annual budget for the use, operation, and maintenance for the Treatment Facility and Joint Trunklines for each fiscal year. The Annual Budget shall specify the projected operation and maintenance expenses for the Treatment Facility and Joint Trunklines for the relevant fiscal year and any costs for repairs or improvements to them to be accomplished during the fiscal year.
4. BILLING PERIOD means a monthly period commencing on the first day of each month during the term of this Agreement, to and including the last day of that month.
5. CAPITAL COSTS means future costs and expenses incurred in any expansion of the Treatment Facility or any upgrade required by new regulation of the U.S. EPA or the State of Utah, including, but not limited to, all costs of construction, construction period interest costs, costs of architects and engineers, and other similar costs and expenses incurred by way of expansion to the Treatment Facility. It does not include the repair of any part of the Treatment Facility that is not required by new regulation. Only the growth-related costs of a repair or replacement may be considered a Capital Cost unless they are required by new regulation.
6. CITY or CITIES means Spanish Fork City or Mapleton City respectively, or both of them in plural.
7. CODE means the official compilation published and known as Utah Code Annotated (1953 as amended).
8. COLLECTION SYSTEM means the wastewater collector and interceptor pipeline system of each City which is owned and operated, or will be owned and operated exclusively by that City, separate and apart from the Treatment Facility, including service laterals, manholes, pump stations, flow-measuring devices and related appurtenances, excluding the Joint Trunklines.
9. EQUIVALENT RESIDENTIAL UNIT (ERU) means a unit of wastewater which incurs the same costs for operation and maintenance as the average volume of domestic wastes discharged from a single-family residence in the treatment works service area. An ERU is equivalent to 163 gallons per day excluding infiltration, 0.629 pounds per day Biochemical Oxygen Demand (BOD), and 0.629 pounds per day Total Suspended Solids (TSS).

10. FACILITIES means collectively the Treatment Facility and Joint Trunklines.
11. FISCAL YEAR means a period of twelve (12) consecutive months commencing on July 1st and ending on June 30th of the following year.
12. GOVERNING BODY means the duly elected mayor and city council of each CITY.
13. JOINT TRUNKLINE 1995 means that sewer trunkline running from the west side of the Union Pacific Railroad right of way at approximately 950 North 2550 East (Spanish Fork) to the connection with the existing Treatment Facility owned by Spanish Fork. Mapleton owns 61% of the Joint Trunkline 1995 and Spanish Fork owns 39% of the joint trunkline as shown on [Exhibit A](#).
14. JOINT TRUNKLINE 2016 means that sewer trunkline running from the west side of the Union Pacific Railroad right of way at approximately 3150 East 100 South (Spanish Fork) to a point where it connects to the Joint Trunkline 1995 at 1789 East 970 North (Spanish Fork). Mapleton owns 65% of the joint trunkline 2016 and Spanish Fork owns 35% of the joint trunkline 2016 as shown on [Exhibit B](#).
15. JOINT TRUNKLINE CAPACITY means the total volume of sewage capable of being transported to the Treatment Facility through the Joint Trunklines. For the purpose of this agreement, Capacity is defined as eighty five percent (85%) of the full pipe capacity, reserving fifteen percent (15%) for infiltration.
16. MAPLETON means Mapleton City, a municipal corporation and body politic located in Utah County, State of Utah.
17. OPERATION AND MAINTENANCE EXPENSES means, with respect to the Facilities, all expenses reasonably incurred in connection with the operation and maintenance of the Facilities including:
 - a. Repairs and replacements (other than Capital Costs) of all existing equipment, buildings, and facilities necessary to keep the Facilities in efficient operating condition;
 - b. Costs incurred in preparing operating reports and other reports as may be required herein or by State or Federal Regulation;
 - c. Premiums on insurance for the Treatment Facility required herein;
 - d. Actual costs incurred by Spanish Fork in carrying out the duties and responsibilities specified in this Agreement, including all wages, overtime, third-party contract expenses for equipment and other special services, employee benefits, general office overhead, administrative expenses and vehicle mileage,

provided however that Spanish Fork costs to be included in Operation and Maintenance Expenses shall only be those fairly attributable to the operation of the Facilities, and not include costs attributable to any Collection System.

- e. Generally all expenses, exclusive of depreciation, which under generally accepted accounting principles are properly allocated to operation and maintenance of the Facilities, but only such expenses as are reasonable and necessary to the efficient operation and maintenance of the Facilities shall be included.
18. ORDINANCE means a legislative enactment by a Governing Body of a City.
19. PRIOR AGREEMENT means the [Inter-local Agreement for Construction, Use, and Maintenance of Joint Wastewater Facility entered into between the Cities, dated February 19th, 2004](#), as supplemented by that [Addendum Contract entered into between the Cities, dated May 2005](#), and the [Amended and Restated Inter-local Agreement for Construction, Use, and Maintenance of Joint Wastewater Facility entered into between the Cities, dated May 17, 2011](#).
20. SPANISH FORK means Spanish Fork City, a municipal corporation and body politic located in Utah County, Utah.
21. TREATMENT FACILITY means collectively the existing wastewater treatment plant and the new wastewater treatment plant owned and operated by the Cities, including all screens, chambers, pumps, clarifiers, filters, digesters, basins, interconnecting pipes, outfall line, transfer structures, and other equipment and facilities.
22. TREATMENT FACILITY CAPACITY means the lesser of:
- a. the total hydrologic volume of the Spanish Fork Treatment Plant, which the existing Treatment Facility is capable of processing, currently 5.0 million gallons per day, and the new Treatment Facility, which will be capable of processing 8.0 million gallons a day, average daily flow; or
 - b. the total biological volume which the Treatment Facility is capable of processing, based on the regulations on contaminant discharges, as set forth in the Treatment Facility UPDES permit issued by the State of Utah.

ARTICLE II TERMINATION OF PRIOR AGREEMENT

In order to accomplish the purposes of the Cities, given the addition of the Joint Trunkline 2016 and the construction of a new Treatment Facility, it is in the Cities' interests to terminate the Prior Agreement and replace it with this Agreement. The Prior Agreement shall be terminated upon the approval and execution of this Agreement by each City's Governing Body.

ARTICLE III JOINT TRUNKLINES

This Agreement affects the ownership interests of the Cities in the Joint Trunkline 1995 and the Joint Trunkline 2016 to reflect the percentages set forth in paragraph 13 and 14 of the definitions. O&M expenses incurred on the Joint Trunklines shall be paid for by the Cities in the same ratio as their ownership interest in the Joint Trunklines.

ARTICLE IV PURPOSE AND TERM OF AGREEMENT

- 4.1 Purpose. The purpose of this Agreement is to provide for: (i) the use, operation and maintenance of the Facilities for the mutual benefit of the Cities; (ii) to provide for an Advisory Group to give recommendations regarding the operation and maintenance of the Facilities; and (iii) the establishment of a system for sharing the costs and expenses related to the use, operation, and maintenance of the Facilities.
- 4.2 Term of Contract. This Contract shall be in full force and continue in effect for 50 years, unless terminated earlier by mutual agreement of the parties.

ARTICLE V OWNERSHIP OF TREATMENT FACILITIES AND PURCHASE OF CAPACITY

- 5.1 Ownership of Various Facilities. Spanish Fork shall retain all ownership interests in its Collection System. Mapleton shall retain all ownership interest in its Collection System. Except as set forth in paragraph 5.4, nothing herein shall be construed to grant to any City any ownership interest in property or assets of the other City.
- 5.2 Right to Use. Mapleton shall have the right and power during the term of this Agreement to connect its Collection System to the Joint Trunklines and thereby cause the sewage and wastewater from its residents and customers to be transmitted to the Treatment Facility for treatment, pursuant to the terms of this agreement.
- 5.3 Funding of the new Treatment Facility. Spanish Fork shall obtain funding for the construction of the new Treatment Facility in the form of cash and a municipal bond. Mapleton shall make annual payments ~~of approximately \$1,124,000,~~ as more specifically set forth in Exhibit C attached hereto, which amount is equal to their proportionate share of the bond, to be used by Spanish Fork for debt service payment of the bond.
Notwithstanding anything in this Agreement elsewhere contained, the payments to be paid by Mapleton to Spanish Fork in this Agreement shall be payable out of the revenues of Mapleton's sewer system. In no event shall the payments be deemed or construed to be a general indebtedness of Mapleton or payable from any funds of Mapleton other than those derived from the operation of Mapleton's sewer system. The net revenues from Mapleton's sewer system are pledged to secure the payments hereunder. Mapleton may, in its sole discretion, but without obligation and subject to the constitution, laws, and budgetary requirements of the State of Utah, make available funds to defray any

insufficiency of sewer revenues to make the payments called for in this Agreement; provided, however, Mapleton has not covenanted and cannot covenant to make those funds available and has not pledged any of such funds for the payments called for under this Agreement. Mapleton shall not increase its portion of the bond payment until such time as the bond is callable. Mapleton shall provide coverage funds to Spanish Fork City in the amount of \$1,686,195, which amount is equal to one and a half (1.5) times its proportionate share of one annual payment of the bond, to be used by Spanish Fork in a rate stabilization fund to provide coverage for the bond. The coverage funds shall be placed in an interest bearing account for the full term of the bond. Upon the final bond payment, Mapleton's coverage funds and any interest accrued shall be returned to Mapleton. As Mapleton is not providing any cash to the new Treatment Facility, it shall be responsible to pay any arbitrage penalties if incurred. -Mapleton pledges the net revenues of its sewer system to pay coverage funds.

- 5.4 Purchase by Mapleton. Subject to the provisions of paragraph 6.1(a), Mapleton purchases from Spanish Fork twenty percent (20%) of the new Treatment Facility, including land, for the purchase price of \$15,955,000 ("Purchase Price"). Concurrent with the execution of this Agreement, Mapleton shall execute in favor of Spanish Fork a ~~secured~~ promissory note secured by the net revenues of Mapleton's sewer system whereby it promises to pay the Purchase Price in annual installments. ~~The promissory note shall be secured by a deed of trust with Mapleton's share of the new Treatment Facility serving as collateral. (The form of promissory note is attached as Exhibit C and the form of deed of trust is attached as Exhibit D).~~ If Mapleton's 20% share of the capital costs at the end of construction of the new Treatment Facility differs from \$15,955,000, the Purchase Price shall be adjusted accordingly. The Cities agree to amend the promissory note ~~and deed of trust~~ to reflect the final Purchase Price. If Mapleton's 20% share of capital costs at the end of construction is less than \$15,955,000, the difference shall be given as a credit toward a future bond payment under this Agreement. The credited amount shall be placed in an interest-bearing account and shall be used towards Mapleton's share of the next bond payment. If Mapleton's 20% share of the capital costs is greater than \$15,955,000, the Cities agree to amend the Agreement to account for the difference.
- 5.5 2011 Purchase by Mapleton. Pursuant to the Prior Agreement, Mapleton owes Spanish Fork \$2,800,000.00, which was to be paid in full on or before April 30, 2026. Mapleton agrees to pay three annual installments of \$933,333 in each of the fiscal years ending in 2025, 2026, and 2027 from the net revenues of Mapleton's sewer system. Interest shall not be charged. Each annual payment shall be due April 30 of the fiscal year in which it is scheduled.

ARTICLE VI EXCEEDING OR ADJUSTMENTS TO TREATMENT FACILITY CAPACITIES

- 6.1 Adjustments to capacities.

- a. If either City's wastewater needs require capacity beyond its capacity share allocated at the new Treatment Facility, the cost of expansion shall be paid solely by that City and the additional capacity created shall be owned by that City. The ownership interests shall be adjusted to reflect the new capacity. The other City not requiring the capacity expansion, at its option, may participate with the City requiring the expansion of capacity to the new Treatment Facility at which time each City shall pay for the capital costs of such expansion on the same ratio of each city's capacity within the expanded portion of the plant. The City not requiring the capacity expansion may not prevent the other City from undertaking a capacity expansion and shall have no financial obligation for expansion of the new Treatment Facility, if such expansion is done based solely on the other City's need.
- b. In the event expansion to the new Treatment Facility is required by government regulation, each City shall pay for the capital costs of such expansion on the same ratio of each City's capacity to the total new Treatment Facility Capacity. Any regulatory fines or penalties incurred shall be paid by the City causing the same. In the event the cause cannot be determined, the fines or penalties shall be paid based upon the same ratio of each City's capacity to the total new Treatment Facility Capacity.
- c. Any expansion to the new Treatment Facility shall be based on the Spanish Fork City Wastewater Master Plan.
- d. Neither City may prevent the other from undertaking a Treatment Facility capacity increase. Such increases shall require an adjustment of the ownership interests in the Treatment Facility as provided in Section 6.3.

- 6.2 Exceeding capacities. In the event that either City exceeds its capacity, the other's capacity may be used until unavailable (when the other City needs such capacity). If the new Treatment Facility Capacity is ever exceeded, the City that is using more capacity than owned shall do the following:
- a. Cease issuance of building permits that require a new connection to the Collection System.
 - b. Be responsible for all regulatory fines and/or penalties due as a result of exceeding capacities.
 - c. Be responsible for all costs of remediation, labor, and materials to correct the problem.
 - d. Be responsible for all attorneys' fees incurred in defending any regulatory action.
 - e. Pay for and begin immediately the design and construction of the next new Treatment

Facility capacity project with or without the participation of the other City according to article 6.1.a.

- 6.3 Adjustment of ownership. If the Treatment Facility Capacity is adjusted the ownership interests shall be adjusted to reflect each City's proportionate share of ownership in the new Treatment Facility Capacity. As set forth in Article 9, the Advisory Group shall meet to consider amendments to the Agreement and execution of deeds reflecting the new ownership proportion.

ARTICLE VII OPERATION AND MAINTENANCE OF THE TREATMENT FACILITY AND JOINT TRUNKLINES

- 7.1 Duties and Responsibilities of Spanish Fork City. Spanish Fork shall be the operator of the Facilities and shall have the following duties:
- a. Management. Spanish Fork shall have sole and exclusive responsibility for the day-to-day management of the Facilities.
 - b. Operation and Maintenance. Spanish Fork shall be responsible for the operation and maintenance of the Facilities and shall employ competent and experienced personnel or train such personnel for the Facilities and shall use its best efforts to operate and maintain the Facilities at all times in good repair and condition, and in such a manner that the operating efficiency thereof shall conform to the standards set by Federal, State, and Local law.
 - c. Compliance with Laws. In operating and maintaining the Facilities, Spanish Fork shall comply in every respect with each applicable Federal, State, or Local law regulating the safe, sanitary, and healthful operation of the Facilities, and Spanish Fork shall make every reasonable effort to prevent a shutdown or bypass of the Facilities, or an imposition of penalty by any governmental authority because of a failure to meet or otherwise comply with applicable laws and regulations. If such reasonable effort has been made, but notwithstanding, there is a penalty or requirement imposed by any authorized government authority, the penalty or cost of compliance shall be considered as part of the operation and maintenance expense of the Facilities.
 - d. Insurance. In operating and maintaining the Facilities, Spanish Fork shall obtain and maintain insurance, including but not limited to worker's compensation insurance and public liability insurance in such amounts and to such extent it is customarily carried by other operating utilities of the same type. The cost of such insurance shall be considered an operations and maintenance expense of the Facilities. In the event of any loss or damage to any part of the Facilities, insurance proceeds shall be used for the purpose of restoring or replacing the property lost or damaged.

- e. Expenditures. Spanish Fork shall use its best efforts to keep the Operation and Maintenance Expenses related to the Facilities within the amounts established in the Annual Budget and shall make no expenditures or incur any obligation in excess of amounts established in the Spanish Fork Annual Budget without revision of the budget.
 - f. Collections. Spanish Fork shall collect from Mapleton, on a monthly basis, Mapleton's proportionate share of Operation and Maintenance Expenses relating to the Facilities in accordance with this Agreement, and shall apply those payments against the budget. Actual Operation and Maintenance expenses shall be trued up at the end of each budget year.
 - g. Maintain Records. Spanish Fork shall maintain accurate detailed records relating to the Facilities, including but not limited to flow-measuring records, materials, supplies, and payroll records for personnel employed by Spanish Fork City. Spanish Fork City shall make those records available for inspection at reasonable times to the Advisory Group and the Governing Body of Mapleton.
 - h. Budget Preparation. Spanish Fork shall prepare and provide a proposed budget for the next fiscal year by April 1st of each year. Spanish Fork will make available, upon request, a copy of the monthly financial report for the Treatment Facility. The expenses incurred in compiling each report shall be regarded as an Operation and Maintenance expense of the Facilities.
- 7.2 Pretreatment. Spanish Fork shall administer the pretreatment program for both Cities. Mapleton shall require all residents and businesses to adhere to the pretreatment requirements outlined in Spanish Fork City Municipal Code [§13.24](#). et. seq. (Wastewater Utility) by adopting code at least as stringent as the cited Spanish Fork City Municipal Code. Mapleton shall require all non-residential businesses to submit the [Spanish Fork City Pretreatment Questionnaire](#) and shall ensure that all pretreatment requirements are met prior to approving a site plan or building permit.

ARTICLE VIII CHARGES FOR OPERATION AND MAINTENANCE EXPENSES

- 8.1 Sharing of Expenses. All actual operation and maintenance expenses related to the Treatment Facility shall be paid on a monthly basis by Mapleton in a ratio determined as follows:
- a. A meter shall be installed where the Joint Trunkline 1995 and the Joint Trunkline 2016 each cross the DRGW railroad tracks to measure total flow and contaminate strength from Mapleton's collection system. Mapleton shall own and maintain these meters. Spanish Fork shall read the flow meters monthly for billing and sample for

contaminant strength quarterly.

- b. A meter has been installed at the intake to the Treatment Facility. Spanish Fork shall own and read this meter. Mapleton may check the readings for accuracy.
- c. Mapleton shall be responsible to pay to Spanish Fork for the operation of the Treatment Facility on the ratio of Mapleton's flow as metered at the crossing of the DRGW tracks, to the total flow, as measured at the Treatment Facility intake.

8.2 Payments to Spanish Fork City. Mapleton shall pay to Spanish Fork the monthly service charge described in Section 8.1 of this Agreement within twenty (20) days after receiving the bill. Mapleton covenants that the rates for all sewer service supplied by the Mapleton sewer system to its inhabitants and customers shall be sufficient for the retirement or redemption of the Note and any bonded indebtedness of Mapleton secured by the net revenues of its sewer system, provided such rates must be reasonable rates for the type, kind, and character of the service rendered. There shall be no free service and there shall be charged against all users of the system, including the Issuer, such rates and amounts as shall be sufficient to produce Net Revenues that are equal to 125% of annual debt service on the note and all bonded indebtedness of Mapleton that is secured by the net revenues of its sewer system. All revenues, including those received from the issuer, shall be subject to distribution for the payment of the cost of operating and maintaining the system, and the payment of the note all other indebtedness secured by the net revenues of Mapleton's sewer system. Balances held in the Mapleton Revenue Fund on the last day of each Fiscal Year shall be considered to be revenues available for the next Fiscal Year. Mapleton shall have the sole and exclusive right to determine a method of charging residents and customers of its own Collection System. The failure of Mapleton to collect sufficient amounts from its residents and customers shall not relieve Mapleton from its obligations to pay its proportionate share for the operation and maintenance expense of the Facilities. If Mapleton fails to pay the full amount due and owing within ten (10) days after the due date thereof, the unpaid balance shall bear an interest rate of one percent (1.0%) per month until paid in full, and all subsequent payments received shall be applied first to interest and then to principal.

8.3 Breach of Agreement. In the event of a breach of this agreement, the non-breaching party shall be entitled to recover its costs and attorneys fees incurred in enforcing the terms hereof. In the event a dispute that the parties cannot amicably resolve, a court of competent jurisdiction in Utah County, or any alternative dispute resolution method agreed upon by the parties may be used to resolve the dispute.

ARTICLE IX ADVISORY GROUP

9.1. Advisory Group. An advisory group shall be created for the purpose of monitoring the number of hookups available allowed, as set forth in paragraph 6.2, discussing problems, policies, revenues, expenditures, and any other matters affecting the operation of the

Facilities.

- a. Number of Representatives. The Advisory Group shall consist of five members, three of whom shall be representatives from Spanish Fork and two from Mapleton.
- b. Advisory Group Member Selection. Each City's members shall be selected and approved by its Governing Body.
- c. Removal or Disability. Each City may remove any of its members with or without cause. Upon such removal or in the event of resignation, a successor shall be appointed for the remainder of that term, by the City who had appointed the member who is no longer serving.

- 9.2. Duties of Advisory Group. The Advisory Group shall study and make recommendations regarding operation, maintenance, and improvement of the Facilities. The Advisory Group shall also recommend amendments to budgets, amendment to the Agreement, and changes to the proportionate ownership of the Facilities, when such are appropriate. The conclusions, recommendations, or information emanating from a meeting of the Advisory Group shall be presented to the Governing Bodies of the Cities for their consideration. It is understood, however, that the function of the group is to further the cooperation between the Cities and to render advisory assistance, but in no way to limit the rights of ownership to the Facilities set forth herein, or to make binding recommendations, but shall be advisory only.

ARTICLE X BUY BACK PROVISIONS

10.1 Mapleton System.

- a. The parties acknowledge Mapleton's significant capital contributions towards the Treatment Facility and Joint Trunklines, and that Mapleton may one day need to construct its own sewer treatment system. If Mapleton decides to construct its own sewer treatment system, it may terminate this agreement and negotiate with Spanish Fork the amount of reimbursement it will receive for its capital contributions, based upon the depreciation of the facilities, their condition, and value.
- b. If Mapleton decides to construct its own sewer treatment system, it may phase out of the Spanish Fork Treatment Facility, but must eventually take all of its sewerage into a different system. Any such phasing may not take longer than five years. As Mapleton phases out of the Treatment Facility, it may make additional capacity available to Spanish Fork. Once Mapleton is no longer using its allotted capacity, in whole or in part, Spanish Fork shall begin to reimburse Mapleton its contributions towards capital facilities in proportion to the amount Mapleton has reduced its allotted capacity. For example, if Mapleton reduces its use of its allotted capacity by

10%, Spanish Fork shall begin to reimburse Mapleton for 10% of its investment in capital facilities.

- c. Mapleton shall give one year written notice to Spanish Fork of its intent to construct its own sewer treatment system or to withdraw from the Treatment Facility, and thereby terminate this agreement. However, Mapleton may not terminate this Agreement if there is debt still outstanding.
- d. Unless otherwise agreed to by the parties, the reimbursement period shall be 10 years and shall commence 30 days from the date Mapleton makes additional capacity available. Spanish Fork shall make a down payment of 25% and pay the balance in 10 annual installments. Upon full reimbursement being made, Mapleton shall relinquish its ownership interest by conveying a deed to Spanish Fork for Mapleton's share in the Treatment Facility and Spanish Fork shall become the sole owner of the Treatment Facility.
- e. No interest shall accrue on any money owed to Mapleton by Spanish Fork during the reimbursement period.

ARTICLE XI MISCELLANEOUS PROVISIONS

- 11.1 Adoption of Ordinances. Each City agrees to adopt and enforce such ordinances as are reasonably necessary to permit the purposes of this Agreement to be accomplished. Mapleton further agrees to maintain an ordinance in substantially the same format and content as Spanish Fork City Municipal Code [§13.24](#). et. seq. (Wastewater Utility). Mapleton further agrees to be subject to the provisions of [§13.24](#). et seq. (Wastewater Utility)
- 11.2 Joint Cooperation. The Cities hereby agree to cooperate with each other in the planning for the future capital improvements to the Facilities or the construction of facilities for the joint use of the Cities. The installation of such capital improvements or new facilities and costs to be assumed by each city with respect thereto shall be reviewed with the Advisory Group. The Advisory Group shall make a recommendation on whether the improvements shall be subject to provisions of a separate written agreement between the Cities.
- 11.3 Authorized Agreement. Each City hereby represents and warrants that its Governing Body has taken all action as required by law to approve this Agreement and to authorize execution of this Agreement on behalf of that City.
- 11.4 Force Majeure. In case by reason of force majeure, either City shall be rendered unable wholly, or in part, to carry out its obligations under this Agreement, other than the obligation of each City to make the payments required under the terms hereof, then such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, and the

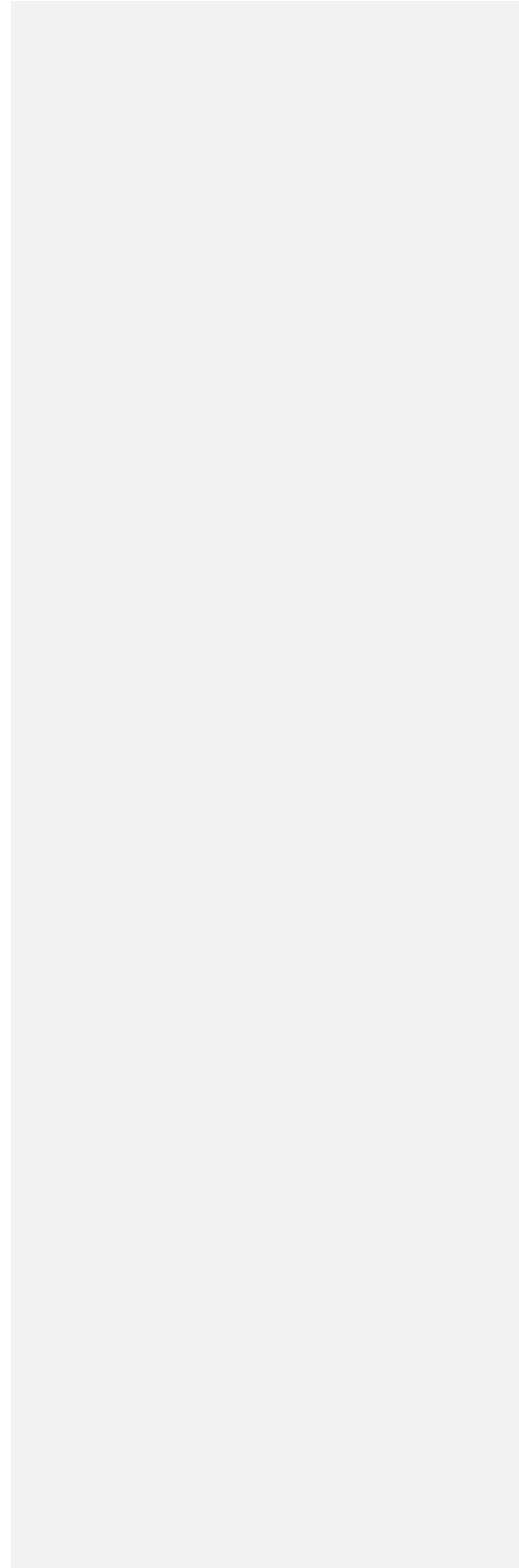
obligations of the party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and such party shall endeavor to remove and overcome such inability with reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, an order from any kind of the government of the United States or the State of Utah, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire, hurricanes, storms, floods, washouts, restraint of government and people, civil disturbance, explosions, breakage, accidents to machinery or collection line, or the partial or complete inability of Spanish Fork to treat and dispose of such wastewater on account of any other cause not reasonably within the control of Spanish Fork.

11.5 Miscellaneous Provisions.

- a. This Agreement shall be governed by and construed under the laws of the State of Utah.
- b. The Cities shall not be deemed to be partners or joint venturers in any manner in the use or operation of the Facilities.
- c. Spanish Fork shall be responsible for ascertaining and overseeing compliance by the Facilities with all government requirements, including in particular those of the Department of Environmental Quality and the United States Environmental Protection Agency. No separate legal entity is established under the terms of the Interlocal Cooperation Act.
- d. This Agreement may be amended from time to time by mutual written Agreement between the Cities, provided that said amendment does not jeopardize or adversely affect any notes, bonds, or other instruments relating to the financing of the construction of the Facilities or the Collection System of either City, and that it does not invalidate or adversely affect the operation or use of the Facilities.
- e. If any provision of this Agreement is determined by a court of competent jurisdiction to be void, voidable, or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.
- f. No City may assign its rights or duties under this Agreement without the prior written consent of the other City.
- g. Spanish Fork will maintain ownership of all treated wastewater. In the event of sale or lease, the proceeds shall be used to reduce the operation and maintenance expenses of the Facilities.

IN WITNESS WHEREOF, the parties have set their hands on the date and the year above written.

[signatures follow]



SPANISH FORK CITY by:

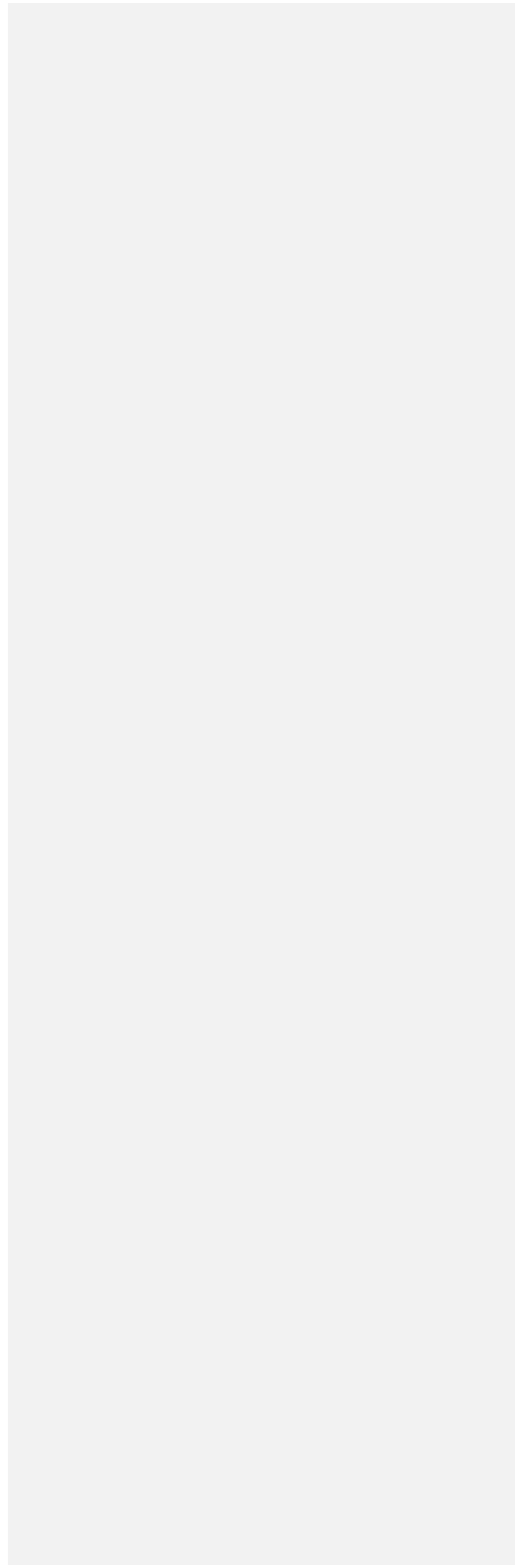
STEVE LEIFSON, Mayor

Attest:

Kent R. Clark, City Recorder

Approval as to form and compliance with Utah law:

Vaughn R. Pickell, City Attorney



MAPLETON CITY by:

DALLAS HAKES, Mayor

Attest:

Camille Brown, City Recorder

Approval as to form and compliance with Utah law:

Eric Todd Johnson, City Attorney

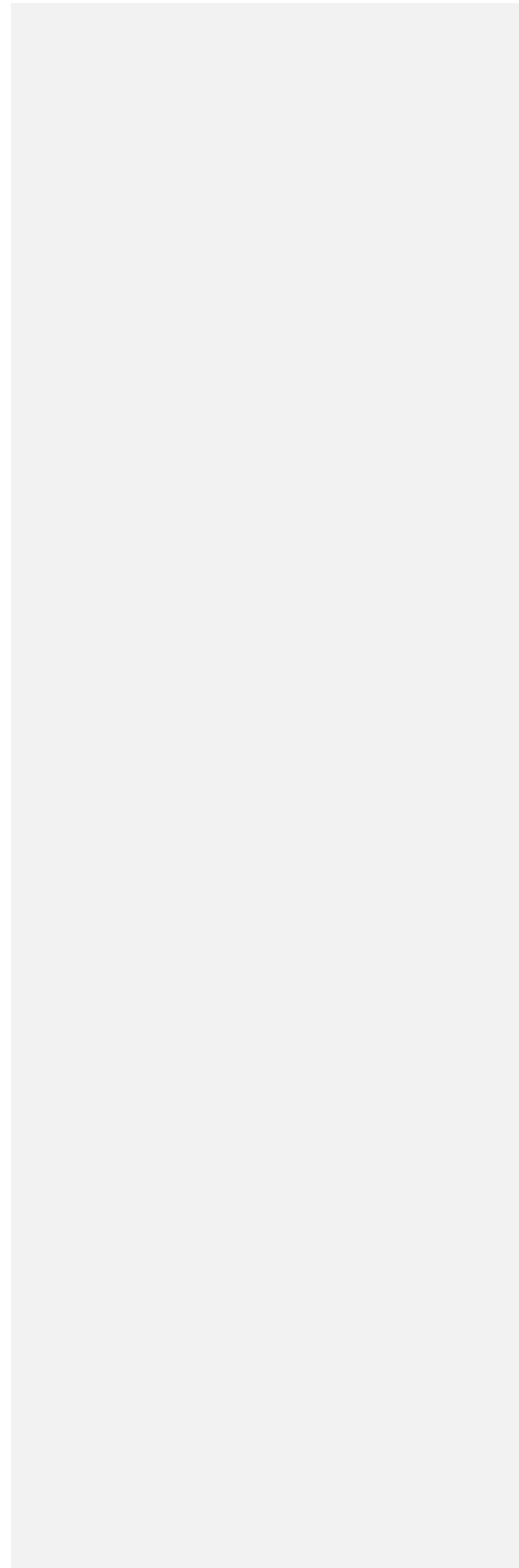


EXHIBIT A
JOINT TRUNKLINE 1995

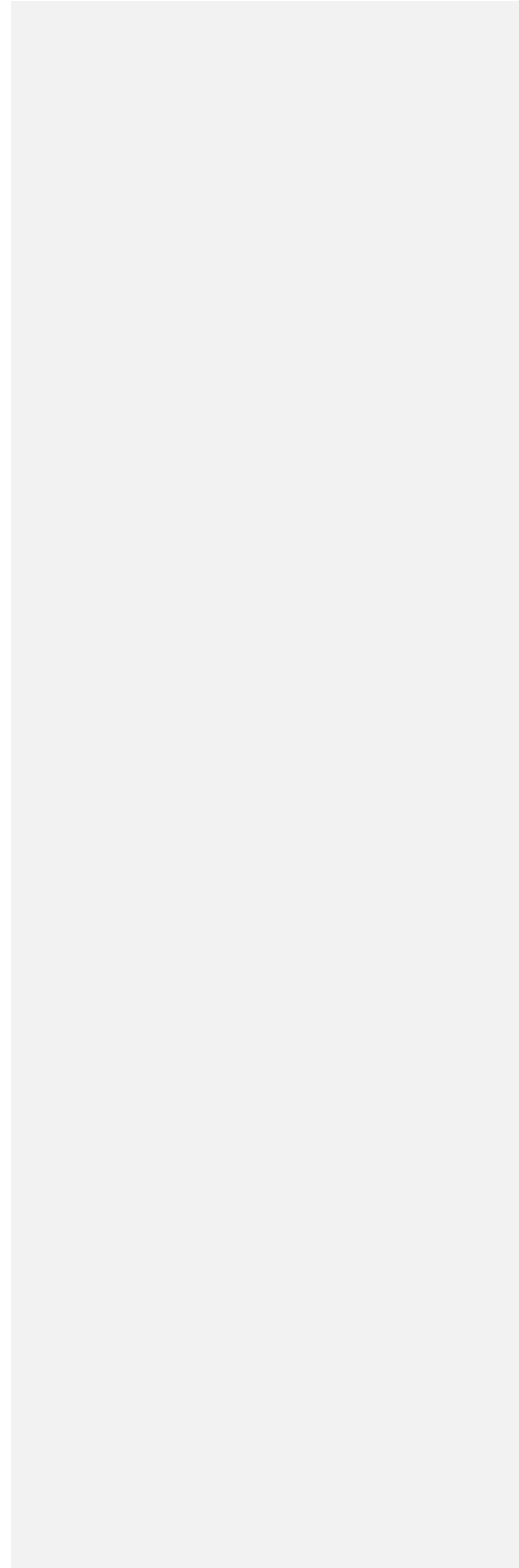


EXHIBIT B
JOINT TRUNKLINE 2016

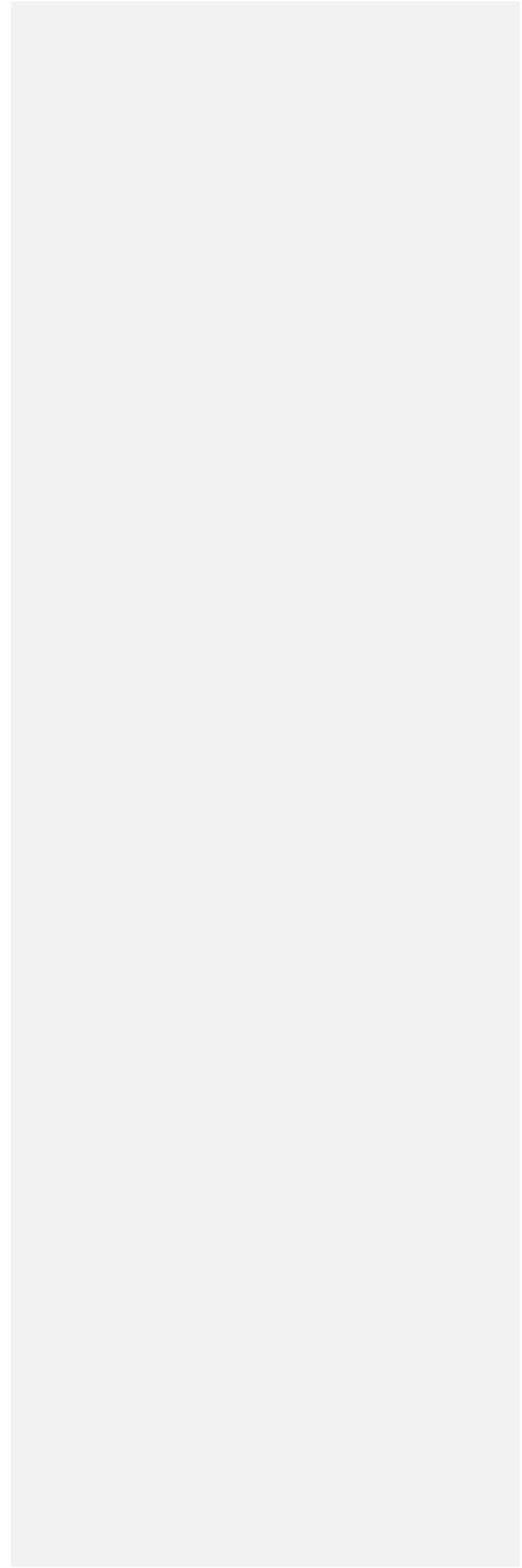
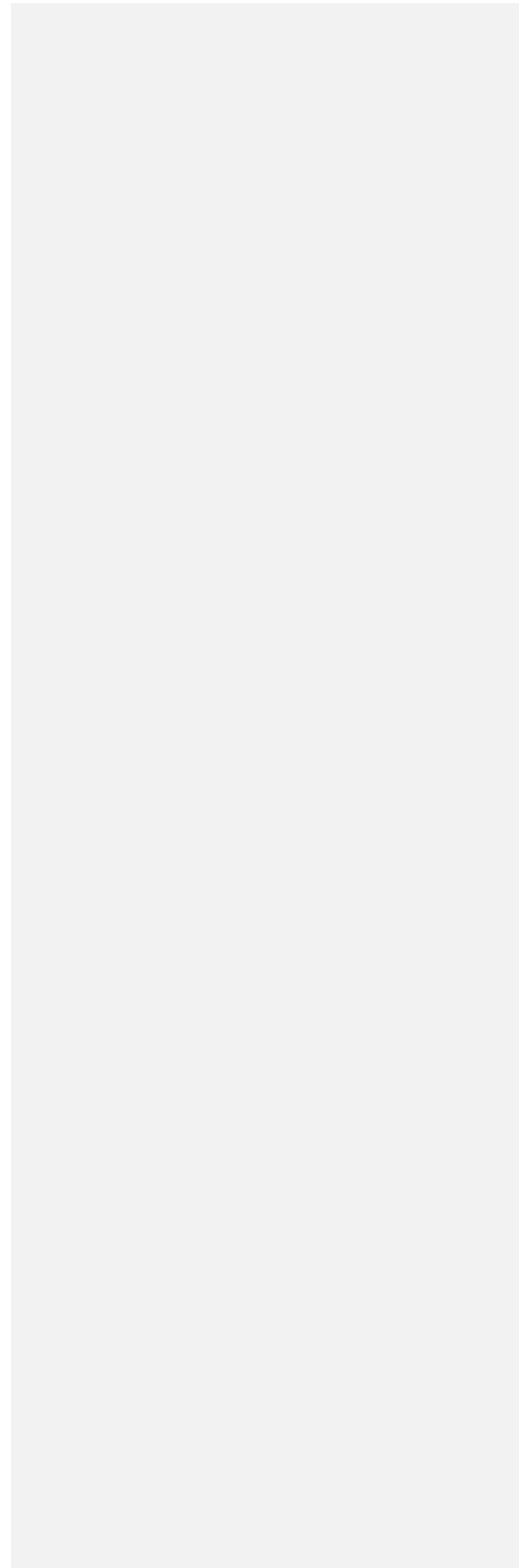


EXHIBIT C
FORM OF PROMISSORY NOTE



ALL-INCLUSIVE PROMISSORY NOTE SECURED BY
THE NET REVENUES OF MAPLETON'S SEWER SYSTEM~~**ALL-INCLUSIVE TRUST DEED**~~
 (Installment Note, Interest Included)

\$15,955,000

Spanish Fork, Utah
 _____, 20____

1. In Installments as herein stated, for value received, Mapleton City, a Utah municipal corporation, hereinafter referred to as "Maker," promises to pay to Spanish Fork City, a Utah municipal corporation, hereinafter referred to as "Holder," the sum of Fifteen Million Nine Hundred Fifty-five Thousand Dollars (\$15,955,000), with interest from the date hereof on unpaid principal at the rate of 1.635246% per annum (true interest cost), said principal and interest being payable as follows:

<u>Due Date</u>	<u>Amount (principal and interest)</u>
<u>03/01/2021</u>	<u>\$ 302,522.44</u>
<u>03/01/2022</u>	<u>528,680.00</u>
<u>03/01/2023</u>	<u>528,680.00</u>
<u>03/01/2024</u>	<u>1,123,430.00</u>
<u>03/01/2025</u>	<u>1,117,305.00</u>
<u>03/01/2026</u>	<u>1,119,680.00</u>
<u>03/01/2027</u>	<u>1,120,305.00</u>
<u>03/01/2028</u>	<u>1,119,180.00</u>
<u>03/01/2029</u>	<u>1,121,180.00</u>
<u>03/01/2030</u>	<u>1,121,180.00</u>
<u>03/01/2031</u>	<u>1,124,055.00</u>
<u>03/01/2032</u>	<u>1,119,430.00</u>
<u>03/01/2033</u>	<u>1,122,630.00</u>
<u>03/01/2034</u>	<u>1,124,130.00</u>
<u>03/01/2035</u>	<u>1,120,565.00</u>
<u>03/01/2036</u>	<u>1,121,650.00</u>

<u>03/01/2037</u>	<u>1,116,400.00</u>
<u>03/01/2038</u>	<u>1,120,750.00</u>
<u>03/01/2039</u>	<u>1,119,650.00</u>
<u>03/01/2040</u>	<u>1,123,100.00</u>
<u>03/01/2041</u>	<u>1,121,100.00</u>
<u>TOTAL</u>	<u>\$ 21,535,602.44</u>

A late payment penalty of one and one half percent (1.5%) per month of any payment due shall be assessed against the Maker if said payment has not been received by Holder within thirty (30) days of the due date. Each payment shall be credited first to any late payments due, then to accrued interest due and the remainder to principal.

2. Maker may not prepay the amounts required herein except as allowed in the bond documents.

3. When all the sums payable pursuant to the terms of this Note ~~and the All Inclusive Deed of Trust securing this Note~~ have been paid in full, Holder shall surrender this Note to Maker marked paid in full ~~and execute and deliver to the Trustee a Request for Full Reconveyance of the All-Inclusive Trust Deed securing this Note.~~

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4. Notwithstanding anything in this Note elsewhere contained, the payments to be paid by Mapleton to Spanish Fork in this Note shall be payable out of the revenues of the Mapleton sewer system. In no event shall the payments be deemed or construed to be a general indebtedness of Mapleton or payable from any funds of Mapleton other than those derived from the operation of Mapleton's sewer system. The net revenues from Mapleton's sewer system are pledged to secure the payments hereunder. Holder shall have no further obligation under the terms of this Note or the All Inclusive Trust Deed securing this Note, after: (1) foreclosure by Holder or its Trustee of the All Inclusive Deed of Trust securing this Note, or (2) delivery by Holder to Trustee of a Request for Reconveyance of the All-Inclusive Trust Deed securing this Note.

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5. In the event that any payment under this Note is not made, or any obligation provided to be satisfied or performed under this Note ~~or the All Inclusive Trust Deed securing this Note~~ is not satisfied or performed at the time and in the manner required. Holder, at its option and without notice or demand, may declare the entire principal balance, all amounts of accrued interest and all other amounts then due under the terms of this Note ~~and the All Inclusive Trust Deed securing this Note~~ immediately due and payable, however such accelerated payment demand shall not alter the pledge of net revenues from the Mapleton sewer system and shall not entitle Holder to any other funds or monies from Mapleton.

6. In the event that any payment under this Note is not made, or any obligation provided to be satisfied or performed under this Note ~~or the All-Inclusive Trust Deed securing this Note~~ is not satisfied or performed at the time and in the manner required, the defaulting party shall pay any and all costs and expenses (regardless of the particular nature thereof ~~and whether or not incurred in connection with the exercise of the power of sale provided for in the All-Inclusive Trust Deed securing this Note~~) which may be incurred by the Maker or Holder hereof in connection with the enforcement of any rights under this Promissory Note, including, without limitation, court costs and reasonable attorney's fees.

7. The Maker and endorser hereof waive presentment for payment, protest, demand, notice of protest, notice of dishonor and notice of nonpayment and expressly agree that this Note or any payment hereunder may be extended from time to time by the Holder hereof without in any way affecting the liability of such parties. No course of dealing between the Maker and Holder in exercising any rights hereunder, shall operate as a waiver of rights of Holder.

8. This Note shall inure to the benefit of and shall be binding upon respective successors and assigns of the Maker and Holder.

9. This Note shall be construed in accordance with the laws of the State of Utah.

10. In this Note, whenever the context requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

~~11. This Note is secured by an All-Inclusive Trust Deed of even date herewith.~~

MAKER

MAKER

MAKER

MAKER

The undersigned hereby accept(s) the foregoing All- Inclusive Promissory Note and agree(s) to perform each and all of the terms thereof on the part of the Holder to be performed.

Executed as of the date and place first above written.

HOLDER

HOLDER

HOLDER

HOLDER

EXHIBIT D
FORM OF DEED OF TRUST

When recorded, mail to:
Spanish Fork City Attorney
789 W. Center Street
Spanish Fork, UT 84660

Affecting Parcel No. 26:048:0110

ALL-INCLUSIVE DEED OF TRUST

THIS ALL-INCLUSIVE TRUST DEED made this ___ day of _____, 20___, between Mapleton City, as TRUSTOR, whose address is 125 West 400 North, Mapleton, UT 84664, _____, as TRUSTEE, and Spanish Fork City, as BENEFICIARY, whose address is 40 S. Main Street, Spanish Fork, UT 84660,

WITNESSETH: That Trustor CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, a 20% interest in the land and the Treatment Facility located on the following described property situated in Spanish Fork, Utah County, State of Utah:

[insert legal description]

Together with all buildings, fixtures and improvements thereon and all rights of way, easements, rents, and issues, profits, income tenements, hereditaments, privileges and appurtenances hereunto belonging, now or hereafter used or enjoyed with said property, or any part thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits;

FOR THE PURPOSE OF SECURING (1) payment of the indebtedness evidenced by an All-Inclusive Promissory Note (hereinafter the "Note") of even date herewith, in the principal sum of \$15,955,000, made by Trustor, payable to the order of Beneficiary at the times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof; (2) the performance of each agreement of Trustor herein contained; (3) the payment of such additional loans or advances as hereafter may be made to Trustor, or its successors or assigns, when evidenced by a Promissory Note or Notes reciting that they are secured by this Trust Deed; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

~~TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:~~

- ~~1. To keep said property in good condition and repair; not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting said property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general; and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Trustor further agrees:
 - a. To commence construction promptly and to pursue same with reasonable diligence to completion in accordance with plans and specifications satisfactory to Beneficiary, and
 - b. To allow Beneficiary to inspect said property at all times during construction.~~

~~Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting for facts showing a default by Trustor under this paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.~~

- ~~2. To provide and maintain insurance, of such type or types and amounts as Beneficiary may require, on the improvements now existing or hereafter erected or placed on said property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses in favor of and in form acceptable to Beneficiary. In event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Trustor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged.~~
- ~~3. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full such evidence of title as Beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof or supplements thereto.~~
- ~~4. To appear in and defend any action or proceeding purporting to affect the security thereof, the title to said property, or the the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.~~
- ~~5. To pay all taxes, insurance and assessments of every kind or nature as and when required by the Holders of Senior Encumbrances or when otherwise due in absence of any requirements under the Senior Encumbrances.~~

6. ~~Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may; make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgement of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including cost of evidence of title, employ counsel, and pay reasonable legal fees.~~
7. ~~To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate borne by the principal balance under the Note until paid, and the repayment thereof shall be secured hereby.~~

~~IT IS MUTUALLY AGREED THAT:~~

8. ~~Should said property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefore, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights or action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, and hereby assigned to Beneficiary, who may after deduction therefrom all its expenses, including attorneys' fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.~~
9. ~~At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed and the not of endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any persons for the payment of the indebtedness secured hereby, Trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of said property. The grantee in any reconveyance may be described as "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.~~
10. ~~As additional security, Trustor hereby assigns Beneficiary, during the continuance of these trusts, all rents, issues, royalties, profits of the property affected by this Trust Deed and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder. Trustor shall have the right to collect~~

all such rents, issues, royalties, and profits and Beneficiary shall have the right, with or without taking possession of the property affected hereby, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such monies shall not in any manner affect the subsequent enforcement by the Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Trust Deed to any such tenancy, lease or option.

11. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, whether in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.
12. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damages of said property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
13. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent default.
14. Time is of the essence hereof. Upon default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of Beneficiary. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause said property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein said property or some part of parcel thereof is situated. Beneficiary also shall deposit with Trustee, the note and all documents evidencing expenditures secured hereby.
15. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property to Beneficiary on the date and at the time and place designated in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of purchase price payable in lawful money of the United State at the time of sale). The person conducting the sale, may for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than one day beyond the day designated in the notice of sale, notice thereof shall be given

(If Trustor an Individual)

STATE OF UTAH

COUNTY OF _____

On the _____ day of _____, 20____, personally appeared before me _____ the signer(s) of the above instrument, who duly acknowledged to me that ___ he ___ executed the same.

NOTARY PUBLIC
My Commission Expires: _____ Residing at:

(If Trustor a Corporation)

STATE OF UTAH

COUNTY OF _____

On the _____ day of _____, 20____, personally appeared before me _____, who being by me duly sworn, says that he is the _____ of the corporation that executed the above and foregoing instrument and that said instrument was signed in behalf of said corporation by authority of its by laws (or by authority of a resolution of its board of directors) and said _____
Acknowledged to me that said corporation executed the same.

NOTARY PUBLIC
My Commission Expires: _____ Residing at:

REQUEST FOR FULL RECONVEYANCE

(To be used only when indebtedness secured hereby has been paid in full)

TO: _____ TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Trust Deed. Said note, together with all other indebtedness secured by said Trust Deed has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Trust Deed, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Trust Deed delivered to you herewith, together with said Trust Deed, and to reconvey, without warranty, to the parties designated by the terms of said Trust Deed, all of the estate now held by you thereunder.

_____ DATED _____, 20 _____

Mail reconveyance to _____