



Timber Lakes Water SSD
P.O Box 579
450 West 910 South STE 100
Heber City, Utah 84032
435-654-0125 Office
435-654-4925 Fax
timberwaterssd@msn.com

August 12, 2021

Re: Immediate Prepayment Option for Timber Lakes Water Assessment Bond

Dear Property Owner,

As an owner of property within the Timber Lakes Water Improvement Special Assessment Area, you are receiving this notification with regard to a one-time prepayment option available for the assessment on your property. The Timber Lakes Water Special Service District is refinancing its debt and you have the option to prepay your assessment, but must do so **no later than Friday, September 10, 2021**. Please read the enclosure for additional details with regard to this prepayment option.

Sincerely,

A handwritten signature in black ink that reads "Neil Anderton". The signature is written in a cursive style with a large, sweeping initial "N".

Neil Anderton, Chairman

TIMBER LAKES WATER SPECIAL SERVICE DISTRICT

Enclosure

Prepayment Options for Timber Lakes Water Assessment Bond Customers

The Timber Lakes Water Special Service District, Wasatch County, Utah (the "Special Service District"), adopted a resolution declaring its intention to issue refunding bonds (the "Refunding Bonds") to refund the Special Service District's outstanding Federally Taxable/Convertible to Tax-Exempt Water Revenue Refunding Bonds, Series 2018 (the "Series 2018 Bonds"), which were issued to refund the Special Service District's Special Assessment Bonds (Timber Lakes Water Improvement Special Assessment Area), Series 2011 (the "Series 2011 Bonds"). The Series 2011 Bonds were originally issued in the original principal amount of \$5,290,000 bearing interest at a rate of 8.125% per annum. The Series 2018 Bonds were issued in the original principal amount of \$4,336,000 bearing interest at an initial rate of 4.33% per annum (the bonds were converted to tax-exempt and the rate reduced to 3.42% per annum as of June 16, 2021) to refund the Series 2011 Bonds, in order to achieve a debt service savings over the life of the Series 2018 Bonds. The Refunding Bonds are being issued at a rate of 1.605% per annum to provide additional debt service savings over the life of the Refunding Bonds. A portion of the debt service savings will be passed on to property owners in the form of a reduced payoff amount or lower monthly assessment payments, and a portion of the debt service savings will be retained by the Special Service District and used for capital project costs. Property owners within the Timber Lakes Water Improvement Special Assessment Area (the "Assessment Area") may pre-pay their assessments related to the Series 2018 Bonds, in whole, within twenty-five (25) days after the date of this notice (payment must be received no later than Friday, September 10, 2021). Unlike the Series 2018 Bonds, the Refunding Bonds will not be subject to redemption prior to maturity and property owners within the Assessment Area will not be permitted to prepay their assessments after expiration of the 25-day period described herein.

If you would like to pay off your remaining assessment(s) in full before the refinancing, we need to receive your payoff **no later than Friday, September 10, 2021**. The total payoff amount, per lot, is \$3,069.17 as outlined below. Combined lots subject to the Series 2018 Bond assessment are required to pay the assessment on all properties that existed before and after combination.

Payoff Amount Valid Through September 10, 2021

Outstanding Principal Balance Per Lot @ 6/15/2021	\$3,745.26
Plus Accrued interest to 9/15/2021	32.02
Less Debt Service Reserve and interest savings credit	(583.11)
Less Bond Fund and August & September payments	<u>(125.00)</u>
2018 Assessment Bond Per Lot Pay Off Amount	\$3,069.17

To pay off the assessment in full, please mail a **CERTIFIED BANK CHECK** for **\$3,069.17** per each assessed property, payable to **Timber Lakes Water Special Service District** to the address below. If you currently have a past due balance, you must bring your account current in order to have the ability to pre-pay your remaining assessment. Any credit balances will be applied to future billings.

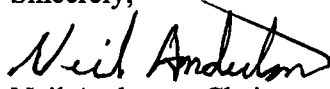
Please write your lot number(s) and/or account number(s) on your check.

Mail check to: PO Box 579
Heber City, UT 84032

If you do not want to prepay at this time, you will continue to be billed monthly, at an estimated reduced monthly rate between \$31.00 and \$32.00. The final rate will be determined when we close the refinancing transaction.

If you decide to pay off your remaining balance, **we must receive your payment in certified funds by Friday, September 10, 2021**. If you have any questions, please contact Neil Anderton by email at lein.anderton@gmail.com.

Sincerely,

A handwritten signature in black ink that reads "Neil Anderton". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Neil Anderton, Chairman

TIMBER LAKES WATER SPECIAL SERVICE DISTRICT

Dated: August 12, 2021