HYRUM CITY, UTAH
BOND ANTICIPATION NOTE RESOLUTION
November 21, 2019

RESOLUTION NO. 19-22

A RESOLUTION AUTHORIZING THE SEWER REVENUE BOND ANTICIPATION NOTES, SERIES 2019 IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,402,000 FOR INTERIM FINANCING FOR SEWER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS; TO PROVIDE FOR A PURCHASER OF THE SERIES 2019 NOTES; APPROVING A NOTE PURCHASE CONTRACT; AND RELATED MATTERS.

WHEREAS, Hyrum City, Cache County, Utah (the "Issuer"), a political subdivision and body politic duly and regularly created, established, organized, and existing under and by virtue of the Constitution and laws of the State of Utah, desires to acquire and construct a sewer system, and related improvements (the "System") and desires to finance said improvements, in part, by issuing its Sewer Revenue Bond Anticipation Notes, Series 2019 in the total principal amount of $2,402,000 (the "Series 2019 Notes or Note") in anticipation of the issuance of its Sewer Revenue Bonds, Series 2021 (the "Series 2021 Bonds")(the denomination of the Series 2021 Bonds may change to correspond to the future year of issuance of such Bonds); and

WHEREAS, the Issuer adopted a Parameters Resolution on October 17, 2019, authorizing the issuance and sale of Sewer Revenue Bonds and Sewer Revenue Bond Anticipation Notes in a maximum aggregate principal amount not to exceed and posted and published required notices as authorized therein; and

WHEREAS, the Issuer desires to authorize a Note Purchase Contract in substantially the form attached as Exhibit "B", with ZB, N.A. ("Zions Bank") as the purchaser of the Series 2019 Notes pursuant to the terms of the Note Purchase Contract; and

WHEREAS, the Issuer desires to accept the offer of Zions Bank and to confirm the sale of the Series 2019 Notes to Zions Bank:

NOW, THEREFORE, Be It Resolved by the City Council (the "Council") of Hyrum City, Cache County, Utah, as follows:

ARTICLE I

DEFINITIONS

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

"Noteholder" or "Registered Owner" means the registered holder of any Series 2019 Note, the issuance of which is authorized herein.

"Bonds" means the Series 2019 Notes, Series 2021 Bonds and any bonds issued on a parity therewith, including the Outstanding Bonds.

"Depository Bank" means a "Qualified Depository" as defined in the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated, 1953, as amended, selected by the Issuer to receive deposits for the Sewer Revenue Account as herein described, the deposits of which bank shall be insured by the Federal Deposit Insurance Corporation.

"Fully Registered Note" means any single Fully Registered Note in the denomination(s) equal to the aggregate principal amount of the applicable Series 2019 Notes authorized herein.

"Interest Payment Date" means each December 1 and June 1, beginning on December 1, 2019.

"Issuer" means Hyrum City, Utah or its successors.

"Maturity Date" means the maturity date of the Series 2019 Notes which is December 15, 2021.

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

"Note Purchase Contract" is the purchase contract between the Issuer and ZB, N.A. for the purchase of the Series 2019 Notes.

"Operation and Maintenance Expenses" means all expenses reasonably incurred in connection with the operation and maintenance of the System, including the cost of sewer treatment, whether incurred by the Issuer or paid to any other municipality or company pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, the cost of audits hereinafter required, fees of the paying agents on the Bonds or Notes, payment of premiums for insurance on the System hereafter required and, generally, all expenses, exclusive of depreciation, which under generally accepted accounting practices are properly allocable to operation and maintenance of the System, but only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

"Outstanding Bonds" means the Issuer's outstanding Taxable Sewer Revenue Bonds, Series 2003 issued in the original principal amount of $4,220,000 bearing no interest.

"Paying Agent" means the person or persons authorized by the Issuer to pay the principal of and interest on the Series 2019 Notes on behalf of the Issuer. The initial paying agent for the Series 2019 Notes is the City Recorder of the Issuer.

"Project" means the acquisition and construction of sewer system improvements, and related improvements to the Issuer's System, including all equipment and necessary appurtenances thereof.

"Purchaser" means ZB, N.A. as the purchaser of the Issuer's Series 2019 Notes, authorized herein

"Registrar" means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2019 Notes on behalf of the Issuer. The initial Registrar for the Series 2019 Notes is the City Recorder of the Issuer.

"Revenues" means all gross income and revenues of any kind, from any source whatsoever, derived from the operation of the System, including, without limitation, all fees, rates, connection charges, impact fees imposed to finance the Project, if any, to the extent such impact fees are pledged and available for payment of the Series 2019 Notes, and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and Revenues.

"Series 2021 Bonds" means the Issuer's $2,402,000 Sewer Revenue Bonds, Series 2021 to be purchased by the United States Department of Agriculture, Rural Utilities Service.

"Series 2019 Note or Notes" means the Issuer's Sewer Revenue Bond Anticipation Note, Series 2019 in the total principal amount of $2,402,000 purchased by ZB, N.A.

"System" means the whole and each and every part of the Issuer's sewer system, including the Project to be acquired and constructed pursuant to this Note Resolution, and all property, real, personal and mixed, of every nature now or hereafter owned by the Issuer and used or useful in the operation of said System, together with all improvements, extensions, enlargements, additions, and repairs thereto which may be made while any of the Bonds remain outstanding.

ARTICLE II

SEWER REVENUE BOND ANTICIPATION NOTES

Section 2.1. Purchase Contract. The Note Purchase Contract in substantially the form attached hereto as Exhibit "B" is in all respects hereby authorized and the Mayor directed to execute and deliver the same on behalf of the Issuer. The Series 2019 Notes shall be sold to Zions Bank pursuant to the Note Purchase Contract.

Section 2.2. Authorization and Description of the Series 2019 Notes.

The Series 2019 Notes shall be issued in anticipation of the issuance of the Series 2021 Bonds in the anticipated aggregate principal amount of $2,402,000, the proceeds of which shall be used to pay, in part, cost of construction of the Project. The Series 2019 Notes shall be dated as of their date of delivery and shall mature on December 15, 2021. The Council of the Issuer hereby estimates and determines that the term needed to effect the purpose for which the Series 2019 Notes are issued is not less than the term of the Series 2019 Notes.

The Series 2019 Notes shall bear interest at a rate of two and seventy-nine hundredths percent (2.79%) per annum from their date of delivery to maturity or prior redemption. Interest shall be computed based upon the actual number of days elapsed in a month of thirty (30) days and a year of three hundred sixty (360) days and shall be payable at maturity or upon prior redemption.

If upon presentation at maturity the principal of and interest on the Series 2019 Notes are not paid in full as provided herein, interest shall accrue on the unpaid principal balance at the same rate of interest until paid in full.

The Series 2019 Note is issued on parity with the Issuer's Outstanding Bonds, such that the Series 2019 Note and the Outstanding Bonds are equally and ratably secured by a pledge of and first lien on the Net Revenues of the Issuer's System as described herein.

The Series 2019 Note shall be in a form to permit Zions Bank to make incremental advances on its total loan commitment to the Issuer during the period of acquisition and construction of the Project.

Section 2.3 Advances of Proceeds. At least fifteen (15) days prior to the date the Series 2019 Notes are to be issued and thereafter at least fifteen (15) days prior to each subsequent calendar quarter, or at such other time as shall be specified by Zions Bank, the Issuer shall provide to Zions Bank a certificate setting forth a schedule of the costs of the Project which the Issuer estimates will become due and payable by the Issuer prior to the next succeeding calendar quarter. Advances made by Zions Bank on the basis of such certificates shall be deposited in a construction account of the Issuer. All such advances shall be in the minimum amount of $100,000 or any greater amount in increments of $1,000 or more. Upon receipt of evidence of deposit of each advance in the construction account of the Issuer, the City Recorder or Mayor of the Issuer, or the Mayor's designee shall give telephonic authorization followed by written confirmation to Zions Bank to stamp or write the date and amount of such advance made by Zions Bank in the appropriate place on the Certificate of Dates of Payment and Amount appearing on the Series 2019 Note. Each advance made by Zions Bank on the Series 2019 Note shall constitute proceeds of the Series 2019 Note and shall be deemed to constitute the full purchase price of the corresponding principal amount of the Series 2019 Note noted on the Certificate of Dates of Payment and Amount appearing on the Series 2019 Note. The initial incremental advance from Zions Bank to the Issuer shall be delivered on the closing date (proposed to be December 10, 2019) in the amount of $100,000. Zions Bank shall not have any obligation to make any further incremental advances to the Issuer until the Issuer provides Zions Bank with evidence satisfactory to Zions Bank that legal counsel to the United States Department of Agriculture, Rural Utilities Service has provided approval for the Series 2021 Bonds on terms consistent with the form of Final Bond Resolution presented to Issuer as of this date, and on terms acceptable to Zions Bank, in its sole and unfettered discretion.

Section 2.4. Nature of Obligation. The Series 2019 Notes create a i) lien on the proceeds of the Series 2021 Bonds or any bond anticipation notes issued in substitution for the Series 2019 Notes (the "Replacement Notes"), when and if issued, sold and delivered, and ii) charge upon the Net Revenues of the Issuer's System, superior to all other charges of any kind and nature, except the charges necessary to pay the principal of and interest on any future parity bonds until the principal of and interest on the Series 2019 Notes are paid in full. The Series 2019 Notes are a special limited obligation of the Issuer and are 1) payable as to interest due on such Interest Payment dates from the Net Revenues of the System and the proceeds of the Series 2021 Bonds or Replacement Notes, and 2) payable as to the principal of and interest from the proceeds of the Series 2021 Bonds or Replacement Notes, or in the event that the Series 2021 Bonds or Replacement Notes are not issued, from the Net Revenues of the Issuer's System.

No provision of this Note Resolution, the Note Purchase Contract, the Series 2021 Bonds, the Series 2019 Notes, or any other instrument, shall be construed as creating a general obligation of the Issuer, or creating a general obligation of the State of Utah or any political subdivision thereof, nor as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 2.5. Payment of Principal and Interest. The principal of and interest on the Series 2019 Notes shall be payable in lawful money of the United States of America to the registered owners of the Series 2019 Notes by the Paying Agent. The principal and the final interest payment shall be payable to the registered owner of each Series 2019 Note upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, interest shall be payable to the registered owner of the Series 2019 Notes determined as of the close of business on the first day of the calendar month next preceding the interest payment date (the "Regular Record Date"), irrespective of any transfer of ownership of the Series 2019 Notes subsequent to the Regular Record Date and prior to such interest payment date, by check or draft mailed to such registered owner at the address appearing on the registration books maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the registered owner of the Series 2019 Notes entitled to receive such interest determined as of the close of business on the date fixed by the Paying Agent for such purpose (the "Special Record Date"), irrespective of any transfer of ownership of the Series 2019 Notes subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least five (5) days prior to the Special Record Date, to the registered owner of each Series 2019 Note upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the Registrar is authorized or required by law to remain closed, such payment, determination or notice shall be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the Paying Agent or Registrar is authorized or required by law to remain closed.

Section 2.6. Redemption. The Series 2019 Notes shall be subject to optional redemption prior to their maturity date in whole or in part at any time at a price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date. If called in part, the Paying Agent shall select by lot those Series 2019 Notes or portions of Series 2019 Notes to be redeemed.

Notice of redemption shall be given by the Paying Agent by sending a copy thereof by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date. If called in part, the Paying Agent shall select by lot those Series 2019 Notes or portions of Series 2019 Notes to be redeemed.

Notice of redemption shall be given by the Paying Agent by sending a copy thereof by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date, to the registered owner of the Series 2019 Notes determined as of the close of business on the day preceding the first mailing of such notice, at the address appearing on the registration books of the Registrar. Such notice shall specify the date fixed for redemption and shall further state that on the redemption date there will be due and payable upon the Series 2019 Notes the principal amount plus accrued interest thereon to the redemption date and that from and after said date interest will cease to accrue. Failure to mail any notice as aforesaid or any defect in any notice so mailed with respect to the Series 2019 Notes shall not affect the validity of the redemption proceedings with respect to the Series 2019 Notes.

Section 2.7. Execution of Series 2019 Notes. The Series 2019 Notes shall be executed on behalf of the Issuer by the Mayor and attested by the City Recorder (the signatures of said Mayor and City Recorder being either manual and/or by facsimile) and the corporate seal of the Issuer of a facsimile thereof shall be impressed or imprinted thereon. The use of such facsimile signatures of the Mayor and City Recorder and such facsimile of the seal of the issuer on the Series 2019 Notes is hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, attestation, and sealing of the Series 2019 Notes by said officials. The Series 2019 Notes shall then be delivered to the Registrar for manual authentication by it. The Certificate of Authentication shall be substantially in the form provided in the form of Note attached hereto. Only such of the Series 2019 Notes as shall bear thereon a Certificate of Authentication, manually executed by the Series 2019 Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Note Resolution, and such certificate of the Registrar shall be conclusive evidence that the Series 2019 Notes so certified have been duly registered and delivered under, and are entitled to the benefits of this Note Resolution and that the Registered Owner thereof is entitled to the benefits of this Note Resolution. The Certificate of Authentication of the Registrar on any Series 2019 Note shall be deemed to have been executed by it if such Series 2019 Note is signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Series 2019 Notes issued hereunder or that all of the Series 2019 Notes hereunder be certified as registered by the same Registrar, and (ii) the date of authentication of the Series 2019 Note is inserted in the place provided therefor on the Certificate of Authentication.

Section 2.8. Registration, Transfer, and Exchange. Upon its execution and prior to its delivery, the Series 2019 Note shall be registered for the purpose of payment prior to its delivery, the Series 2019 Note shall be registered for the purpose of payment of principal and interest with the Registrar. Thereafter, the Series 2019 Note shall be transferable only upon the registration books of the City Recorder, or his/her successors, as transfer agent (the "Transfer Agent"), at the request of the Registered owner thereof or his, or her or its duly authorized attorney-in-fact or legal representative. The Series 2019 Note may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the registered owner or his, her or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlers and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of the Series 2019 Note during the five (5) days prior to the first mailing of any notice of redemption or to transfer ownership of the Series 2019 Note selected for redemption on or after the date of such mailing. The registered owner of the Series 2019 Note may also exchange such Series 2019 Note for another Note or Notes of convenient denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may be imposed in connection with any transfer or exchange of the Series 2019 Note. No transfer of the Series 2019 Note shall be effective until entered on the registration books of the Registrar. In the case of every transfer or exchange, the Issuer shall execute and the Transfer Agent shall deliver to the new registered owner a new Note or Notes of the same Series and aggregate principal amount as the Series 2019 Note or Series 2019 Notes surrendered, and such Replacement Notes shall be secured by the Note Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2019 Note surrendered. The Registrar may deem and treat the person in whose name the Series 2019 Note is last registered upon the registration books of the Registrar as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on the Series 2019 Note and for all other purposes, and all such payments so made to such a person of upon his, her or its order shall be valid and effective to satisfy and discharge the liability of the Issuer upon the Series 2019 Note to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

Section 2.9. Form of Series 2019 Notes. The Series 2019 Note shall be in substantially the form as set forth in Exhibit "A" attached hereto. This Resolution is authorized in substantially final form, subject to comment and correction by the Purchaser.

Section 2.10. Delivery. The Series 2019 Note, when executed, registered, and authenticated as provided herein and by law, shall be delivered by the Issuer to Zions Bank upon receiving full payment therefor in accordance with the Note Purchase Contract between the Issuer and Zions Bank. The proceeds of the Series 2019 Note shall be delivered to and deposited into the construction account of the Issuer and will only be expended on the Project.

Section 2.11. Series 2019 Note Account. When and if the Issuer has issued, sold and delivered the Series 2021 Bonds or Replacement Notes, the Issuer shall deposit the net proceeds thereof received in the Series 2019 Note Account as established hereby, and shall apply the same as soon as practicable to the payment of the principal of and/or accrued interest on the Series 2019 Note. The Issuer shall also deposit or cause to be deposited for Net Revenues, to the extent required to pay amounts due on the Series 2019 Note, into the Series 2019 Note Account. The Issuer may also at the option of the Issuer deposit any other legally available funds or revenues in the Note Account and apply the same to the payment of the principal of or interest on the Series 2019 Note. The registered owners of the Series 2019 Note may not look to any general or other fund of the Issuer except the Note Account for payment of the principal of or interest on the Series 2019 Note.

All Net Revenues shall be placed in the Series 2019 Note Account for the payment as to the principal of and interest on the Series 2019 Notes and all bonds issued on a parity therewith.

From and after the earlier of the delivery date of the Series 2019 Notes, and until all the Series 2019 Notes have been fully paid, the Revenues shall be set aside into the Hyrum City, Utah Sewer Revenue Fund (the "Revenue Fund"), established under the resolution approving the Outstanding Bonds and reaffirmed hereby, to be held by the Depository Bank. The Issuer will thereafter make accounting allocations of the funds deposited in said Revenue Fund for the following purposes and in the following priority:

(a) From the amounts in the Revenue Fund there shall first be paid all Operation and Maintenance Expenses of the System. For this purpose the Issuer shall establish on its books an account known as the "Expense Account" to which shall be allocated monthly, on or before the tenth day of each month, such portion of the Revenue Account as is estimated to be required for Operation and Maintenance Expenses of the System for the following month. There shall be allocated to the Expense Account from time to time during the month such additional amounts as may be required to make payments of Operation and Maintenance Expenses for which the amounts theretofore allocated to the Expense Account are insufficient. At the end of each Sinking Fund Year all amounts in the Expense Account in excess of that required to pay Operation and Maintenance Expenses then due shall be transferred to the Sinking Fund as hereinafter provided.

(b) All amounts in the Revenue Fund not allocated to the Expense Account (the "Net Revenues") shall be allocated next to the Sinking Fund as follows:

(i) Of the amounts allocated to the Sinking Fund there shall be allocated the following amounts to a subaccount established on the books of the Issuer known as the "Note Account" such amounts as will assure, to the extent of the availability of Net Revenues from the System, the prompt payment of the principal and interest, if any, on the Series 2019 Notes as shall become due and all bonds or obligations issued in parity therewith, including the Outstanding Bonds. The amount to be so set aside with respect to the Series 2019 Notes shall, as nearly as may be practicable, be set aside and allocated to the Note Account monthly, on or before the tenth day of each month, beginning January 10, 2020, and shall equal 1/12 of the amount of the interest on the payment next due on the Series 2019 Notes (in the event of the first year the amount shall equal the fraction the numerator of which is one and the denominator of which is the number of whole months from the date of delivery until the first principal payment date), to the end that there will be sufficient funds allocated to the Note Account to pay the interest on the Series 2019 Notes as and when the same become due. Amounts allocated to the Note Account shall be used solely for the purpose of paying the principal of and interest on outstanding obligations, if any, and Series 2019 Notes and shall not be reallocated, transferred or paid out for any other purpose; and

(ii) All remaining funds, if any, in the Sinking Fund after all of the payments required to be made into the Note Account have been made, may be used by the Issuer (a) to prepay or redeem the Series 2019 Notes in whole or in part, (b) to make extensions, improvements, additions, repairs, and replacements to the System, or (c) to be applied to any other lawful purpose as determined by the Issuer.

(c) If at any time, the Net Revenues derived by the Issuer from the operation of the System shall be insufficient to make any payment to any of the above funds or accounts on the date or dates specified, the Issuer shall make good the amount of such deficiency by making additional payments out of the first available Net Revenues thereafter derived by the Issuer from the operation of the System.

Section 2.12. Pledge and Lien. The sums required to be deposited in the Note Account, together with all securities in which the same may be invested from time to time, are hereby irrevocably pledged to secure the payment of the principal of and interest on the Series 2019 Note as provided herein. This pledge shall be valid and binding from and after the date of the first delivery of the Series 2019 Note, and such sums, as received by the Issuer and hereby pledged, shall immediately by subject to the lien of the pledge without any physical delivery thereof, any filing, or further act. The lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

Section 2.13. Series 2021 Bonds and Replacement Notes. The Issuer shall in good faith make every reasonable effort to issue and sell sufficient amount of Series 2021 Bonds or Replacement Notes at one time or from time to time so that on or before December 15, 2021, there will be sufficient net proceeds from such bond or note sales to pay in full the principal of the Series 2019 Notes. The terms and form of the Replacement Notes shall be set forth in the authorizing resolution of the Issuer if or when said Replacement Notes are finally issued.

The Issuer hereby covenants that without the consent of 100% of the Registered Owners of the Series 2019 Notes the Issuer shall not on or before the Maturity Date of the Series 2019 Notes issue and sell any Bonds (other than refunding bonds or the Series 2021 Bonds anticipated hereby) or any bond anticipation notes (other than those issued in substitution herefor) which bonds or notes are payable on a parity with the Series 2019 Notes unless the Series 2019 Notes have theretofore been, or are concurrently therewith, paid in full.

Section 2.14. Defeasance of Series 2019 Notes. When all of the principal and interest on the Series 2019 Notes have been duly paid, all obligations hereunder shall thereby be discharged and the Series 2019 Notes shall no longer be deemed to be outstanding. There shall be deemed to be such due payment when the Issuer has placed in escrow or in trust with bank or trust company located within or without the State of Utah bills certificates of indebtedness, notes, bond or other similar securities which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America (Federal Securities") in an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount may wholly or in part be initially invested) to pay all principal and interest due on the Series 2019 Note at maturity or on any date as of which the Issuer has exercised its option to redeem the Series 2019 Note prior to its maturity date. The Federal Securities shall become due prior to the respective times at which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the

Issuer and such bank or trust company at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the owner thereof to assure such availability as so needed to meet such schedule.

APPROVED AND ADOPTED THIS November 21, 2019.

Mayor

ATTEST:

City Recorder

(S E A L)

RECORD OF PROCEEDINGS

The City Council (the "City Council") of the Issuer, met in public session at the regular meeting place of the City Council in Coalville, Utah, on November 21, 2019 (the "Meeting"), at the hour of 6:30 p.m., or as soon thereafter as feasible, with the following members of the City Council being present:

City Council being present:

Stephanie Miller	Mayor
Kathy Bingham	Councilmember
Jared Clawson	Councilmember
Paul James	Councilmember
Craig Rasmussen	Councilmember
Steve Adams	Councilmember

Also present:

Stephanie Fricke	City Recorder

Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters were discussed, the foregoing resolution (the "Resolution") was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by Councilmember ___________________ and seconded by Councilmember __________________, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Those voting NAY:

Those Abstaining:

Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF CITY RECORDER

I, Stephanie Fricke, the duly appointed and qualified City Recorder of the Issuer, do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the City Council at a public meeting duly held on November 21, 2019 (the "Meeting"). The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on November 21, 2019 and is officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Issuer, this November 21, 2019.

(S E A L)

____

City Recorder

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Stephanie Fricke, the undersigned City Recorder of the Issuer do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the November 21, 2019, public meeting held by the governing body of the Issuer as follows:

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

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the geographic jurisdiction of the Issuer at least twenty-four (24) hours prior to the convening of the meeting.

(c) By causing the Meeting Notice to be posted on the Utah Public Notice Website at least twenty-four (24) hours prior to the convening of the meeting.

(d) By causing a copy of the Meeting Notice to be delivered to each member of the City Council of the Issuer at least twenty-four (24) hours prior to the convening of the Meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this November 21, 2019.

____
City Recorder

(SEAL)

(Attach Meeting Notice including proof of posting thereof on the Utah Public Notice Website)

EXHIBIT "A"

FORM OF SERIES 2019 NOTE

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF CACHE
HYRUM CITY
SEWER REVENUE BOND ANTICIPATION NOTE
SERIES 2019

No. R-1 $2,402,000

THIS NOTE HAS BEEN DESIGNATED BY THE ISSUER FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

ORIGINAL DATE	INTEREST RATE	MATURITY DATE
__________, 2019	2.79%	December 15, 2021

REGISTERED OWNER: ZB, N.A.

PRINCIPAL SUM: TWO MILLION FOUR HUNDRED TWO THOUSAND DOLLARS AND NO/100 DOLLARS*****************

Hyrum City, Cache County, Utah (the "Issuer") for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special fund hereinafter specified, the Principal Sum (specified above), in lawful money of the United States of America, on the Maturity Date (specified above), the Total Principal Sum set forth in the "Certificate of Dates of Payment and Amount" set forth at the end of this Note (the "Certificate"), but in no event more than a maximum principal amount of Two Million Four Hundred Two Thousand Dollars ($2,402,000), together with interest accruing on the unpaid principal balance from the date of each incremental advance of principal as set forth in the Certificate, at the rate of two and seventy-nine hundredths percent (2.79%) per annum until paid (calculated on the basis of a 360-day year, comprised of twelve 30-day months), with interest thereon from the Original Date (specified above) to the Interest Payment Date, or prior redemption date, such interest to be computed based upon the actual number of days elapsed in a month of thirty (30) days and a year of three hundred sixty (360) days and payable on each December 1 and June 1, beginning December, 2019, and on prior redemption, in the manner provided herein.

The principal of and interest on this Note are payable to the Registered Owner by the Issuer's City Recorder, or its successors, as Paying Agent. The principal is payable to the Registered Owner upon presentation and surrender of this Note at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is to be the first day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books maintained by the Issuer's City Recorder, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of this Note subsequent to the special record date and prior to the date fixed by the Registrar for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the special record date, to the Registered Owner of each Note upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the Registrar. If the date for making or giving any payment, determination or notice described herein is a Saturday, Sunday, legal holiday or any other day on which the Paying Agent or Registrar is authorized or required by law to remain closed, such payment, determination or notice is to be made or given on the next succeeding day which is not a Saturday, Sunday, legal holiday or other day on which the Paying Agent or Registrar is authorized or required by law to remain closed.

This Note represents a series of Notes designated as Hyrum City, Utah Sewer Revenue Bond Anticipation Notes, Series 2019 issued in the aggregate original principal amount of $2,402,000.

This Note is issued on parity with the Issuer's Outstanding Bonds (as defined in the Note Resolution), such that this Note and the Outstanding Bonds are equally and ratably secured by a pledge of and first lien on the Net Revenues of the Issuer's System.

This Note is subject to optional redemption prior to its Maturity Date in whole or in part at any time at a price equal to 100% of the principal amount of Notes to be redeemed plus accrued interest thereon to the redemption date. If the Notes are redeemed in part, the Paying Agent shall select by lot those Notes or parts thereof to be redeemed.

Notice of redemption is to be given by the Paying Agent in the name of the Issuer by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least thirty (30) days prior to the redemption date, to the Registered Owner of the

Note being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the Registrar. Such notice shall specify the Note to be redeemed, and the date fixed for redemption and shall state that on the redemption date there will be due and payable upon the Note so to be redeemed the principal amount thereof plus accrued interest thereon to the redemption date and that from and after such date interest will cease to accrue. Failure to mail any notice as aforesaid or any defect in any notice so mailed with respect to the Note does not affect the validity of the redemption proceedings with respect to the Note.

The Note is issued by the Issuer for the purpose of financing, in part, the acquisition and construction of Sewer system and related improvements (the "Project"), and is issued in anticipation of the issuance by the Issuer of its Sewer Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), or any bond anticipation notes issued in substitution of the Note, and is issued pursuant to, by virtue of and in full conformity with the Constitution of the State of Utah, and pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and all other laws of the State of Utah thereunto enabling, and pursuant to Resolutions of the Council of the Issuer duly adopted prior to the issuance of this Note on November 21, 2019 (the "Resolution"); and it is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the Issuer in issuing this Note.

The Note is a special limited obligation of the Issuer and is 1) payable as to interest due on such Interest Payment dates from the Net Revenues of the System and the proceeds of the Series 2021 Bonds or Replacement Notes, and 2) payable as to the principal of and interest from the proceeds of the Series 2021 Bonds or Replacement Notes, or in the event that the Series 2021 Bonds or Replacement Notes are not issued, from the Net Revenues of the Issuer's System. The Issuer may also at its option apply any other legally available funds or revenues to the payment of the principal of or interest on this Note.

Payment of the principal of and interest on this Note shall be made solely from a special fund identified in the Resolution authorizing the issuance hereof as the Note Account, into which fund the Issuer has covenanted in the Resolution to pay an amount sufficient to pay the principal of and interest on this Note from the aforesaid sources.

It is hereby recited, certified and warranted that for the payment of this Note and the interest hereon the Issuer has created and will maintain said special account and will deposit therein the net proceeds of the aforesaid Series 2021 Bonds or bond anticipation notes, when and if issued, sold and delivered, and out of said special account, as an irrevocable charge thereon, the Issuer will pay this Note and the interest hereon.

This Note is secured by a lien on the sums deposited in the aforesaid special account, and said sums are pledged and set aside for the payment of this Note, all in anticipation of the issuance, sale and delivery of the aforesaid Series 2021 Bonds or bond anticipation notes.

The Issuer covenants and agrees with the Registered Owner that it will keep and will perform all of the covenants contained in this Note and the Resolution authorizing the issuance hereof.

In the Resolution, the Issuer has covenanted that it will in good faith make every reasonable effort to issue and sell a sufficient amount of its Series 2021 Bonds or bond anticipation notes at one time or from time to time so that on or before December 15, 2021, there will be sufficient net proceeds from such bond or note sales to pay this Note in full. The Resolution provides that without the consent of 100% of the Registered Owners of the note the Issuer shall not on or before the Maturity Date of this Note issue and sell any Bonds (other than refunding bonds or those anticipated hereby) or any bond anticipation notes (other than those issued in substitution herefor) which bonds or notes are payable on a parity with the Note unless the Note has theretofore been, or are concurrently therewith, paid in full.

Reference is hereby made to the Resolution for a description of the provisions, terms and conditions upon which this Note is issued and secured, including, without limitation, the nature and extent of the security for this Note, provisions with respect to the custody and application of the proceeds of this Note, the collection and disposition of the moneys charged with and pledged to the payment of the principal of and interest on this Note, a description of the aforesaid special fund and the nature and extent of the security afforded thereby for the payment of this Note and the interest hereon and the manner of enforcement of said pledge, and the rights, duties, immunities and obligations of the Issuer and the members of its Council of Trustees and also the rights and remedies of the Registered Owner.

This Note is transferable only upon the registration books of the City Recorder of the City, or her successors, as Transfer Agent, at the request of the Registered Owner or his, her or its duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or his, her or its duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the transfer agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and beneficiaries of the trust. The Transfer Agent is not required to transfer ownership of this Note during the five (5) days prior to the first mailing of any notice of redemption or to transfer ownership of this Note selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Note for another Note or Notes of convenient denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may be imposed in connection with any transfer or exchange of this Note. No transfer of this Note is to be effective until entered on the registration books of the City Recorder of the City, or its successor, as Registrar. In the case of every transfer or exchange, the Issuer is to execute and the Transfer Agent is to deliver to the new registered owner a new Note or Notes of the same series and aggregate principal amount as the Note or Notes surrendered. The Registrar may deem and treat the person in whose name this Note is last registered upon the registration books of the Registrar as the absolute owner hereof for the purpose of receiving payment of the principal of and interest on this Note and for all other purposes, and all such payments so made to such person or upon his order are valid and effective to satisfy and discharge the liability of the Issuer upon this Note to the extent of the sum or sums so paid, and the Issuer is not affected by any notice to the contrary.

THIS NOTE HAS BEEN ISSUED AND DELIVERED IN RELIANCE UPON REPRESENTATIONS OF THE REGISTERED OWNER THAT THIS NOTE IS BEING ACQUIRED SOLELY FOR INVESTMENT AND NOT WITH A PRESENT VIEW TO DISTRIBUTION OR RESALE. THIS NOTE MAY NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED, INCLUDING THE SALE OF A PARTICIPATION INTEREST HEREIN, WHETHER OR NOT FOR CONSIDERATION, BY THE REGISTERED OWNER EXCEPT UPON COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS.

IN TESTIMONY WHEREOF, Hyrum City, Utah, has caused this Note to be signed in its name and on its behalf with the manual or facsimile signature of the Mayor, to be sealed with the seal of Hyrum City, Utah, and to be signed and attested with the manual or facsimile signature of its City Recorder.

HYRUM CITY, UTAH

By: (DO NOT SIGN)
Mayor

ATTEST:

(DO NOT SIGN)
City Recorder

(S E A L)

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within mentioned Resolution and is one of the Sewer Revenue Bond Anticipation Notes, Series 2019 of Hyrum City, Utah.

CITY RECORDER OF HYRUM CITY,
UTAH as Registrar

By_________________________________

Date of Registration and Authentication: __________, 2019

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

The undersigned authorized representative of ZB, N.A. (the "Zions Bank"), hereby certifies that Zions Bank has received written authorization from the Mayor or City Recorder of the Issuer to stamp or write the amount(s) indicated below on the date(s) set forth opposite such amount(s); that the amount last inserted under the column "Total Principal Sum" is the total amount received by the Issuer from the issuance of this Bond, and that the undersigned has placed his/her signature in the space provided opposite such amount(s) to evidence the same.

Amount of Payment	Date of Payment	Total Principal Sum	Representative Signature
$____________	___________, 2019	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________
$____________	_____	$_____________	____________________

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT	-	__________ Custodian __________ (Cust) (Minor) under Uniform Gifts to Minors Act __________ (State)

Additional abbreviations may also be used
though not on the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

____

(Name and Address of Assignee)

____

the attached Note and does hereby irrevocably constitute and appoint ____________________, ____________________, ____________________, or its successors, to transfer said Note on the books kept for registration thereof.

Dated: ______________________

Signature guaranteed:

____

(Bank, Trust Company or Firm)

____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Note in every particular without alteration or enlargement or any change whatever.

Transfer Fee Required

EXHIBIT "B"

NOTE PURCHASE CONTRACT

(See Transcript Doc. No. __)

4847-6741-7257, v. 1