

RESOLUTION 12-12

HYRUM CITY, CACHE COUNTY, UTAH

**SUPPLEMENTAL RESOLUTION
AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$625,000
WATER REVENUE REFUNDING BONDS,
SERIES 2012**

ADOPTED NOVEMBER 15, 2012

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RESOLUTION NO. 12-__

**SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE
AND SALE OF UP TO \$625,000 WATER REVENUE REFUNDING
BONDS, SERIES 2012, OF HYRUM CITY, CACHE COUNTY, UTAH;
AND RELATED MATTERS.**

WHEREAS, on October 7, 2010, the City Council (the “*Council*”) of Hyrum City, Cache County, Utah (the “*Issuer*”), adopted a resolution entitled “Resolution Providing for the Issuance of Water Revenue Bonds” (the “*Master Resolution*”);

WHEREAS, the Council deems it advisable and in the interests of the Issuer to provide for the issuance and sale by the Issuer of up to \$625,000 Water Revenue Refunding Bonds, Series 2012 (the “*Series 2012 Bonds*”) in order to refund all or part of the Issuer’s currently outstanding Water Revenue Bonds, Series 2011 (the “*Refunded Bonds*”), satisfy any necessary debt service reserve requirement, and pay costs incurred in connection with the issuance and sale of the Series 2012 Bonds; and

WHEREAS, the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, authorizes the issuance of refunding bonds to refund outstanding bonds issued by the Issuer;

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

ARTICLE I

DEFINITIONS

Section 101. Definitions.

(a) Except as provided in subparagraph (b) of this Section, all defined terms contained in the Resolution when used in this Series 2012 Supplemental Resolution shall have the same meanings as set forth in the Master Resolution.

(b) As used in this Series 2012 Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“*Bond Counsel*” means Chapman and Cutler LLP, or other counsel of nationally recognized standing in matters pertaining to the issuance of obligations by states and their political subdivisions and the tax-exempt status thereof, duly admitted to the practice of law before the highest court of any state of the United States.

“Certificate of Determination” means the Certificate of Determination, executed by a Designated Officer and delivered pursuant to Section 204(b) of this Resolution, setting forth certain terms and provisions of the Series 2012 Bonds.

“Designated Officer” means (i) the Mayor or (ii) if the Mayor is not available to execute the Certificate of Determination as provided in Section 204(b), the City Administrator.

“Issue Date” means the date of issuance and delivery of the Series 2012 Bonds, as provided in Section 203 hereof.

“Purchaser” means the purchaser of the Series 2012 Bonds.

“Record Date” means, with respect to any interest payment date for the Series 2012 Bonds, the first day of the calendar month during which such interest payment date falls or, if such day is not a Business Day, the Business Day immediately preceding such day.

“Redemption Date” means the date of redemption of the Refunded Bonds, being the Issue Date.

“Refunded Bonds” is defined in the recitals hereto.

“Resolution” means the Resolution Providing for the Issuance of Water Revenue Bonds, adopted by the Council on October 7, 2010, as from time to time amended or supplemented by Supplemental Resolutions, including this Series 2012 Supplemental Resolution.

“Series 2012 Bonds” means the Water Revenue Refunding Bonds, Series 2012 of the Issuer authorized by this Series 2012 Supplemental Resolution.

“Series 2012 Costs of Issuance Fund” means the fund established pursuant to Section 5.02 of the Resolution and Section 301 hereof.

“Series 2012 Debt Service Subaccount” means the Series Subaccount established in the Debt Service Account in the Bond Fund pursuant to Section 5.02 of the Resolution and Section 302 hereof.

“Series 2012 Supplemental Resolution” means this Supplemental Resolution of the Issuer.

“Tax Exemption Certificate” means any agreement or certificate of the Issuer executed in order to assure the exclusion from gross income of interest received on the Series 2012 Bonds by the holders thereof.

“Trustee” means Zions First National Bank, of Salt Lake City, Utah, and its successors and permitted assigns under the Resolution.

The terms “*hereby*”, “*hereof*”, “*hereto*”, “*herein*”, “*hereunder*”, and any similar terms as used in this Series 2012 Supplemental Resolution, refer to this Series 2012 Supplemental Resolution.

Section 102. Authority for Series 2012 Supplemental Resolution. This Series 2012 Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2012 BONDS

Section 201. Authorization of Series 2012 Bonds, Principal Amount, Designation and Series. A Series of Water Revenue Bonds is hereby authorized to be issued for the purpose specified in Section 202 in the aggregate principal amount of up to \$625,000 in accordance with and subject to the terms, conditions and limitations established in the Master Resolution and this Series 2012 Supplemental Resolution. Such Series of Bonds shall be designated “*Water Revenue Refunding Bonds, Series 2012.*”

Section 202. Findings and Purpose. The Issuer hereby finds, determines and declares that:

(a) The requirements of Sections 2.02 and 2.04 of the Master Resolution will have been complied with upon the delivery of the Series 2012 Bonds.

(b) The Series 2012 Bonds are being issued for the purpose of refunding the Refunded Bonds, satisfying any necessary debt service reserve requirement, and paying expenses properly incident thereto and to the issuance of the Series 2012 Bonds.

Section 203. Issue Date. The Issue Date of Series 2012 Bonds shall be the date of issuance and delivery thereof.

Section 204. Bond Details; Delegation of Authority. (a) The Series 2012 Bonds shall mature on the dates and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days and twelve 30-day months) from the Issue Date, payable semiannually, all as provided in the Certificate of Determination.

(b) There is hereby delegated to the Designated Officer, subject to the limitations contained in this Section, the power to determine and effectuate the following with respect to the Series 2012 Bonds, and the Designated Officer is hereby authorized to make such determinations and effectuations:

(i) the maturities and amounts of the Refunded Bonds to be refunded by the Series 2012 Bonds;

(ii) the principal amount of the Series 2012 Bonds necessary (after giving effect to any premium or discount on the Series 2012 Bonds) to accomplish the purposes of the Series 2012 Bonds set forth in Section 202 herein and the aggregate principal amount of the Series 2012 Bonds to be executed and delivered pursuant to this Supplemental Resolution; *provided* that the aggregate principal amount of the Series 2012 Bonds shall not exceed \$625,000;

(iii) the maturity date or dates and principal amount of each maturity of the Series 2012 Bonds to be issued; *provided, however*, that the final maturity of all Series 2012 Bonds shall not be later than nine (9) years from the date of issuance thereof;

(iv) the interest rate or rates of the Series 2012 Bonds, *provided, however*, that the interest rate or rates to be borne by any Series 2012 Bond shall not exceed 2.75% per annum;

(v) the Purchaser of the Series 2012 Bonds, the sale of the Series 2012 Bonds to the Purchaser, and the purchase price to be paid by the Purchaser for the Series 2012 Bonds; *provided, however*, that the total discount from par of all of the Series 2012 Bonds shall not exceed 2.0% (expressed as a percentage of the principal amount);

(vi) the Series 2012 Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts of such payments;

(vii) the redemption date and other redemption provisions of the Series 2012 Bonds;

(viii) the debt service reserve requirement with respect to the Series 2012 Bonds, if any, and any provisions relating to the use and operation of any debt service reserve subaccount with respect to the Series 2012 Bonds; and

(ix) any other provisions deemed advisable by the Designated Officer not materially in conflict with the provisions of this Supplemental Resolution.

Immediately following the preliminary pricing of the Series 2012 Bonds by the Underwriter, the Designated Officer shall obtain such information as he deems necessary to make such determinations as provided above and consult with any such other officers of the Issuer as the Designated Officer shall deem appropriate. Thereupon, the Designated Officer shall make such determinations as provided above and shall execute the Certificate of Determination containing such terms and provisions of the Series 2012 Bonds, which execution shall be conclusive evidence of the action or determination of the Designated Officer as to the matters stated therein. The provisions of the Certificate of Determination shall be deemed to be incorporated in Article II hereof.

(c) Each Series 2012 Bond shall bear interest from its date. The Bond Registrar shall insert the date of registration and authentication of each Series 2012 Bond in the place provided for such purpose in the form of Bond Registrar's certificate of authentication on each Bond.

Section 205. Denominations and Numbers. The Series 2012 Bonds shall be issued only in fully-registered form, without coupons, in the denomination of \$100,000, or any integral multiple of \$1,000 in excess of \$100,000. The Series 2012 Bonds shall be numbered from one (1) consecutively upwards in order of authentication and delivery by the Trustee.

Section 206. Paying Agent. Zions First National Bank, of Salt Lake City, Utah, is hereby appointed the Paying Agent for the Series 2012 Bonds, subject to the Paying Agent executing and delivering an acceptance to the Issuer and the Trustee as contemplated in Section 7.02 of the Resolution. Principal and Redemption Price of the Series 2012 Bonds shall be payable at the principal corporate trust office of the Paying Agent or of any successor as Paying Agent in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. Payment of interest on any Series 2012 Bonds shall be (i) made to the registered owner thereof and shall be paid by check or draft mailed to the registered owner thereof as of the close of business on the Record Date at his address as it appears on the registration books of the Issuer maintained by the Trustee or at such other address as is furnished to the Trustee in writing by such registered owner or (ii) made by wire transfer to the registered owner upon written notice by such owner to the Trustee given not less than 15 days prior to such interest payment date, subject to the provisions of Section 3.01 of the Resolution.

Section 207. Sale of Series 2012 Bonds. The Series 2012 Bonds are authorized to be sold to the Purchaser at the price set forth in the Certificate of Determination. The Issuer may enter into a Bond Purchase Agreement, if applicable, and the Mayor is hereby authorized and directed to execute and deliver, and the City Recorder of the Issuer to affix the seal of the Issuer and to countersign and attest, the Bond Purchase Agreement, if any, in such form as shall be approved by the Designated Officer.

Section 208. Execution and Delivery of Series 2012 Bonds. (a) The Series 2012 Bonds shall be executed on behalf of the Issuer by the Mayor by his manual or facsimile signature, and attested by the City Recorder by her manual or facsimile signature, with the seal of the Issuer impressed thereon or with a facsimile of the seal of the Issuer imprinted thereon.

(b) The Series 2012 Bonds shall be delivered to the Trustee, upon compliance with the provisions of Sections 2.02, 2.04 and 3.02 of the Resolution, at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement.

Section 209. Further Authority. The Mayor, the City Administrator, the City Recorder and other officers and employees of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Series 2012 Bonds, including without limitation, any Tax Exemption Certificate prepared by Bond Counsel and an information return with the Internal Revenue Service in accordance with the requirements of Section 149(e) of the Code.

Section 210. Initial Registration of Series 2012 Bonds. Upon initial issuance, the ownership of each such Series 2012 Bond shall be registered in the registration books of the Issuer kept by the Trustee in the name of the Purchaser.

ARTICLE III

APPLICATION OF SERIES 2012 BOND PROCEEDS AND ESTABLISHMENT OF SUBACCOUNTS

Section 301. Establishment of Series 2012 Costs of Issuance Fund. There is hereby established a separate account designated as the “*Series 2012 Costs of Issuance Fund*,” to be held by the Trustee. Moneys deposited in the Series 2012 Costs of Issuance Fund shall be used to pay costs of issuance of the Series 2012 Bonds upon the Written Request of an Authorized Officer of the Issuer. Any moneys remaining in the Series 2012 Cost of Issuance Fund on the earlier of (a) three months after the Issue Date or (b) the date of the full and final payment of all costs of issuance of the Series 2012 Bonds, shall be promptly transferred and deposited into the Series 2012 Debt Service Subaccount to be used for the payment of Debt Service on the Series 2012 Bonds.

Section 302. Establishment of Series 2012 Debt Service Subaccount. Pursuant to the provisions of Sections 5.02 and 5.06 of the Resolution, there is hereby established in the Debt Service Account in the Bond Fund a separate Series Subaccount for the Series 2012 Bonds designated as the “*Series 2012 Debt Service Subaccount*.”

Section 303. Application of Bond Proceeds. Unless otherwise specified in the Certificate of Determination, the proceeds of the Series 2012 Bonds shall be paid to the Trustee for deposit as follows:

(a) Into the Series 2011 Debt Service Subaccount, proceeds of the Series 2012 Bonds, sufficient, together with any other moneys of the Issuer to be deposited therein, to redeem the Refunded Bonds on the Redemption Date, as set forth in a Certificate and Request to be delivered by the Issuer to the Trustee; and

(b) Into the Series 2012 Costs of Issuance Fund, the remainder of the proceeds of the Series 2012 Bonds.

Section 304. Authorization of Redemption Prior to Maturity of Refunded Bonds. The Refunded Bonds are hereby irrevocably called for redemption on the Redemption Date, at the redemption price of 100% of the Principal amount of each such Refunded Bond so called for redemption, plus accrued interest thereon to the date fixed for redemption.

ARTICLE IV

FORM OF SERIES 2012 BONDS

Section 401. Form of Series 2012 Bonds. Subject to the provisions of the Master Resolution, each Series 2012 Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by the Master Resolution:

REGISTERED

REGISTERED

[FORM OF SERIES 2012 BOND]

No. R-_____

\$_____

UNITED STATES OF AMERICA

STATE OF UTAH

**HYRUM CITY, CACHE COUNTY, UTAH
WATER REVENUE REFUNDING BOND, SERIES 2012**

INTEREST RATE

MATURITY DATE

ISSUE DATE

_____%

_____, 2012

Registered Owner:

Principal Amount: ----- DOLLARS -----

KNOW ALL MEN BY THESE PRESENTS that Hyrum City, Cache County, Utah (the “*Issuer*”), a municipal corporation and political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender hereof, the principal amount identified above, and to pay to the registered owner hereof interest on the balance of said principal amount from time to time remaining unpaid from the issue date specified above (the “*Issue Date*”), at the interest rate per annum specified above. Such interest shall be payable on each interest payment date until payment in full of such principal, and to pay interest on overdue principal of this Bond at the interest rate borne by this Bond, except as the provisions set forth in the hereinafter referred to Bond Resolution with respect to redemption prior to maturity may become applicable hereto.

Principal and redemption price of this Bond shall be payable at the principal corporate trust office of Zions First National Bank, of Salt Lake City, Utah, a paying agent of the Issuer, or its successor as such paying agent, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; and payment of the interest hereon shall be (i) made to the registered owner hereof and shall be paid by check or draft mailed to the person who is the registered owner of record as of the close of business on the Record Date at the address of such registered owner as it appears on the registration books of the Issuer maintained by the Trustee, or at such other address as is

furnished in writing by such registered owner to the Trustee as provided in the Bond Resolution or (ii) made by wire transfer to such registered owner upon written notice by such owner to the Trustee given not less than 15 days prior to such interest payment date, subject to the provisions of the Bond Resolution.

This Bond is a special obligation of the Issuer and is one of the Water Revenue Bonds of the Issuer (the “*Bonds*”) and is issued under the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the “*Act*”), for the purpose of [refunding the Issuer’s currently outstanding Water Revenue Bonds, Series 2010 and paying the costs incurred in connection with the issuance and sale of the hereinafter defined Series 2012 Bonds].

The Bonds are issued under the terms of the Resolution Providing for the Issuance of Water Revenue Bonds of the Issuer adopted on October 7, 2010 (the “*Master Resolution*”), as amended and supplemented by a Supplemental Resolution adopted on November 15, 2012 (the “*Supplemental Resolution*”), as the same may from time to time be amended or supplemented by further resolutions of the Issuer (such Master Resolution and Supplemental Resolution and any and all such further resolutions being herein collectively called the “*Bond Resolution*”).

The Issuer is obligated to pay principal, redemption price of, and interest on this Bond solely from the Water revenues (the “*Revenues*”) and other funds of the Issuer, as pledged therefor under the terms of the Bond Resolution. This Bond is not a debt of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness. Pursuant to the Bond Resolution, sufficient Revenues have been pledged and will be set aside into special funds by the Issuer to provide for the prompt payment of the principal of and interest on this Bond and all Bonds of the series of which it is a part.

As provided in the Resolution, Bonds may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Resolution, and the aggregate principal amount of Bonds which may be issued is not limited. All Bonds issued and to be issued under the Resolution and certain other obligations entered into or to be entered into by the Issuer under the Resolution are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Resolution.

This Bond is one of a total authorized issue of Bonds of \$_____ (the “*Series 2012 Bonds*”) designated as “Water Revenue Refunding Bonds, Series 2012,” dated as of the Issue Date, and duly issued under and by virtue of the Act and under and pursuant to the Bond Resolution. Copies of the Bond Resolution are on file at the office of the City Recorder of the City Council in Hyrum City, Utah, and at the principal corporate trust office of Zions First National Bank, of Salt Lake City, Utah, as trustee under the Resolution (said trustee and any successors thereto under the Bond Resolution being herein called the “*Trustee*”), and reference to the Bond Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Series 2012 Bonds are issued and additional bonds and other obligations payable from the Revenues may be issued thereunder on a parity with the

Series 2012 Bonds, and a statement of the rights, duties, immunities and obligations of the Issuer and of the Trustee. Such pledge and other obligations of the Issuer under the Bond Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provisions for the payment thereof on the terms and conditions set forth in the Bond Resolution.

To the extent and in the respects permitted by the Bond Resolution, it may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Bond Resolution.

This Bond is transferable, as provided in the Bond Resolution, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in a form approved by the Trustee, duly executed by the registered owner or his duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Series 2012 Bond or Bonds of the same aggregate principal amount, denominations, Series designation and maturity as the surrendered Series 2012 Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. The Issuer, the Trustee, and any paying agent may treat and consider the person in whose name this Series 2012 Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

The Series 2012 Bonds are issuable in the form of fully-registered Bonds, without coupons, in the denomination of \$100,000, or any integral multiple of \$1,000 in excess of \$100,000.

The Series 2012 Bonds are subject to redemption, in whole or in part, at the election of the Issuer on or after _____, from such maturities as shall be determined by the Issuer in its discretion and within each maturity as selected by the Trustee, upon notice given as hereinafter set forth, at a redemption price equal to 100% of the principal amount of each Series 2012 Bond or portion thereof to be so redeemed, plus accrued interest to the redemption date.

[Insert mandatory sinking fund language, if applicable]

Notice of redemption shall be given by the Trustee by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Trustee, or at such address as he may have filed with the Trustee for that purpose. Each notice of redemption shall state the redemption date, the place of redemption, the source of the funds to be used for such redemption, the principal amount and, if less than all of the Series 2012 Bonds of like maturity are to be redeemed, the distinctive numbers of the Series 2012 Bonds to be redeemed, and shall also state that the interest on the Series 2012 Bonds or portions thereof in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Series 2012 Bonds the redemption price thereof and interest accrued thereon to the redemption date.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable.

This Bond and the issue of Series 2012 Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Bond Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2012 Bond exist, have happened and have been performed and that the issue of the Series 2012 Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Bond Resolution.

IN WITNESS WHEREOF, HYRUM CITY, CACHE COUNTY, UTAH, has caused this Bond to be signed in its name and on its behalf by the signature of its Mayor, and its corporate seal to be impressed or imprinted hereon, and attested and countersigned by the signature of its City Recorder, all as of the Issue Date specified above.

HYRUM CITY, CACHE COUNTY, UTAH

Mayor

COUNTERSIGN AND ATTEST:

City Recorder

[SEAL]

[FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Water Revenue Refunding Bonds, Series 2012, of Hyrum City, Cache County, Utah.

Date of registration and authentication: _____.

ZIONS FIRST NATIONAL BANK,
as Trustee

By _____
Authorized Officer

[FORM OF ASSIGNMENT]

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

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right	(Cust) (Minor)
		of survivorship and not as	under Uniform Transfers to Minors Act of
		tenants in common	_____
			(State)

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

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of HYRUM CITY, CACHE COUNTY, UTAH, and hereby irrevocably constitutes and appoints _____ Attorney to register the transfer of said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____ Signature: _____

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” that is a member of or a participant in a “signature guarantee program” (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

ARTICLE V

THE TRUSTEE

Section 501. Appointment of Paying Agent and Transfer Agent. For the benefit and protection of the holders of the Series 2012 Bonds and any other Bonds hereafter issued pursuant to the Resolution, Zions First National Bank, having the powers of a trust company, doing business and having its corporate trust office in Salt Lake City, Utah, is hereby appointed as Paying Agent and Transfer Agent with respect to the Series 2012 Bonds. Zions First National Bank shall signify acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof prior to the delivery of the Series 2012 Bonds. Zions First National Bank has previously been appointed as Trustee under the Resolution.

ARTICLE VI

SPECIAL COVENANTS AND MISCELLANEOUS

Section 601. Tax Covenants. (a) In order to establish and preserve the tax-exempt status of the Series 2012 Bonds, the Mayor, City Administrator and City Recorder and other appropriate officials and employees of the Issuer are hereby authorized and directed to execute such Tax Exemption Certificates as shall be necessary to establish that (i) the Series 2012 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, (ii) the Series 2012 Bonds are not and will not become “private activity bonds” within the meaning of Section 141 of the Code, (iii) all applicable requirements of Section 149 of the Code are and will be met, (iv) the covenants of the Issuer contained in this Section will be complied with and (v) interest on the Series 2012 Bonds is not and will not become includible in gross income of the Owners thereof for federal income tax purposes under the Code and applicable regulations promulgated or proposed thereunder.

(b) The Issuer covenants and certifies to and for the benefit of the Owners from time to time of the Series 2012 Bonds that:

(i) the Issuer will at all times comply with the provisions of the Tax Exemption Certificate relating to the Series 2012 Bonds;

(ii) the Issuer will at all times comply with the rebate requirements contained in Section 148(f) of the Code, including, without limitation, the entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made and the timely payment to the United States of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the Series 2012 Bonds or any funds or accounts of the Issuer that may be deemed to be proceeds of the Series 2012 Bonds, pursuant to Section 148 of the Code and applicable regulations, which use, if it had been reasonably expected on the date of issuance of the Series 2012 Bonds, would have caused the Series 2012 Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) the Issuer will not (A) take any action which would cause the Series 2012 Bonds, or any Series 2012 Bond, to be a “*private activity bond*” within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (B) omit to take or cause to be taken, in timely manner, any action, which omission would cause the Series 2012 Bonds, or any Series 2012 Bond, to be a “*private activity bond*” or to fail to meet any applicable requirement of Section 149 of the Code;

(v) no bonds or other evidences of indebtedness of the Issuer have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Series 2012 Bonds and ending 15 days following the delivery of the Series 2012 Bonds, other than the Series 2012 Bonds;

(vi) the Issuer will not take any action that would cause interest on the Series 2012 Bonds to be or to become ineligible for the exclusion from gross income of the Owners of the Series 2012 Bonds as provided in Section 103 of the Code, nor will the Issuer omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2012 Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2012 Bonds as provided in Section 103 of the Code; and

(vii) in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Series 2012 Bonds, under present rules, the Issuer would be treated as the “taxpayer” in such examination and the Issuer agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Series 2012 Bonds with the requirements of Section 103 of the Code and the regulations proposed or promulgated thereunder as they pertain to the Series 2012 Bonds.

Section 602. Designation of the Series 2012 Bonds as “Qualified Tax-Exempt Obligations”. The Issuer hereby designates each of the Series 2012 Bonds that is outstanding from time to time as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 603. Notice of Bonds to Be Issued. (a) In accordance with the provisions of Section 11-27-4, Utah Code Annotated 1953, as amended, the City Recorder shall cause the following Notice of Bonds to Be Issued to be published one time in the *Herald Journal*, a newspaper of general circulation in the Issuer, and shall cause a copy of this Supplemental

Resolution to be kept on file in the office of the City Recorder for public examination during the regular business hours of the City Recorder for at least 30 days after the date of such publication. The Notice of Bonds to Be Issued shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-27-4, Utah Code Annotated 1953, as amended, that on November 15, 2012, the City Council (the "*Council*") of Hyrum City, Cache County, Utah (the "*City*"), adopted a Supplemental Resolution (the "*Supplemental Resolution*") in which it authorized and approved the issuance of its Water revenue refunding bonds (the "*Bonds*"), in an aggregate principal amount of not to exceed \$625,000, to bear interest at rates not to exceed 2.75% per annum, and to mature not later than nine (9) years from their date or dates, and to be sold at a discount from par not to exceed 2%.

Pursuant to the Supplemental Resolution, the Bonds are to be issued for the purpose of (1) refunding all or a portion of the City's currently outstanding Water Revenue Refunding Bonds, Series 2011, (2) funding any necessary reserves, and (3) paying the costs incurred in connection with the issuance and sale of the Bonds. The Bonds are to be issued and sold by the City pursuant to (1) a Resolution Providing for the Issuance of Water Revenue Bonds, adopted October 7, 2010 (the "*Bond Resolution*" and, together with the Supplemental Resolution, the "*Resolution*") and (2) the Supplemental Resolution.

The Bonds shall be payable from and secured by the Issuer's water system revenues and certain other funds, as more particularly described in the Resolution.

A copy of the Resolution is on file in the office of the City Recorder of the City at 83 West Main Street in Hyrum, Utah, where the Resolution may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m., Monday through Friday. The Resolution shall be so available for inspection for a period of at least 30 days from and after the date of the publication of this notice.

NOTICE IS FURTHER GIVEN that, pursuant to law, for a period of 30 days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the Resolution of the City or the Bonds authorized thereby or any provisions made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause.

DATED this 15th day of November, 2012.

HYRUM CITY, CACHE COUNTY, UTAH

By _____
City Recorder

[SEAL]

(b) For a period of 30 days after publication of the Notice of Bonds to Be Issued, any person in interest shall have the right to contest the legality of the Supplemental Resolution or the Series 2012 Bonds thereby authorized or any provisions made for the security and payment of the Series 2012 Bonds. After such time, no person shall have any cause of action to contest the regularity, formality or legality of the Supplemental Resolution or the Series 2012 Bonds for any cause whatsoever.

Section 604. Effective Date. This Series 2012 Supplemental Resolution shall take effect immediately.

ADOPTED AND APPROVED this 15th day of November, 2012.

HYRUM CITY, CACHE COUNTY, UTAH

Mayor

ATTEST AND COUNTERSIGN:

City Recorder

[SEAL]

STATE OF UTAH)
)
COUNTY OF CACHE)

I, the duly chosen, qualified and acting City Recorder of Hyrum City, Cache County, Utah, do hereby certify that the foregoing resolution entitled "Supplemental Resolution Authorizing the Issuance and Sale of up to \$625,000 Water Revenue Refunding Bonds, Series 2012," was duly adopted by the City Council at a regular meeting held at the regular meeting place of the City Council, at 83 West Main Street, Hyrum City, Utah, on November 15, 2012, and became effective as of said date, that said resolution has been compared by me with the original thereof, recorded in the minute book of the City and that said resolution is a correct transcript of the whole thereof, and that said resolution has not been altered, amended or repealed but is in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of Hyrum City, Cache County, Utah, this 15th day of November, 2012.

City Recorder

[SEAL]