

**EAGLE MOUNTAIN CITY  
CITY COUNCIL MEETING  
MARCH 17, 2015**

<b>TITLE:</b>	RESOLUTION – Consideration of a Resolution of Eagle Mountain City, Utah, Authorizing the Issuance and Sale of Not More Than \$600,000 Aggregate Principal Amount of Sewer Revenue Bonds, Series 2015: Fixing the Maximum Aggregate Principal Amount of the Bonds, the Maximum Number of Years Over which the Bonds May Mature, the Maximum Interest Rate which the Bonds May Bear, the Maximum Discount from Par at which the Bonds May be Sold; Providing for the Publication of a Notice of Public Hearing and Bonds to be Issued; Providing for the Running of a Contest Period; Authorizing the Execution by the Issuer of a Supplemental Indenture of Trust, and Other Documents Necessary for the Issuance of the Series 2015 Bonds; Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution; and Related Matters.		
<b>FISCAL IMPACT:</b>			
<b>APPLICANT:</b>	Eagle Mountain City		
<b>GENERAL PLAN DESIGNATION</b> N/A	<b>CURRENT ZONE</b> N/A	<b>ACREAGE</b> N/A	<b>COMMUNITY</b> City Wide

**NOTICES:**

- Posted in 2 public places
- Posted on City webpage
- Notice to newspapers

**REQUIRED FINDINGS:**

**Public Works Board  
Recommendation**

**Vote: N/A**

**Prepared By:  
Fionnuala Kofoed**

**NOTES/COMMENTS:**

**RECOMMENDATION:**

That the City Council approves a Resolution of Eagle Mountain City, Utah, Authorizing the Issuance and Sale of Not More Than \$600,000 Aggregate Principal Amount of Sewer Revenue Bonds, Series 2015: Fixing the Maximum Aggregate Principal Amount of the Bonds, the Maximum Number of Years Over which the Bonds May Mature, the Maximum Interest Rate which the Bonds May Bear, the Maximum Discount from Par at which the Bonds May be Sold; Providing for the Publication of a Notice of Public Hearing and Bonds to be Issued; Providing for the Running of a Contest Period; Authorizing the Execution by the Issuer of a Supplemental Indenture of Trust, and Other Documents Necessary for the Issuance of the Series 2015 Bonds; Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution; and Related Matters.

**BACKGROUND:**

The proposed resolution sets the parameters for sewer revenue bonds that will be issued by the City to fund the construction of a pump station and sewer line from White Hills to the City’s existing sewer treatment facility to remedy the failing White Hills sewer system.

Eagle Mountain, Utah

March 17, 2015

The City Council (the “Council”) of Eagle Mountain City, Utah (the “City”), met in regular public session at the regular meeting place of the Council in Eagle Mountain City, Utah on March 17, 2015, at the hour of 7:00 p.m., with the following members of the Council being present:

Chris Pengra	Mayor
Donna Burnham	Councilmember
Adam Bradley	Councilmember
Ryan Ireland	Councilmember
Richard Steinkopf	Councilmember
Tom Westmoreland	Councilmember

Also present:

Ifo Pili	City Administrator
Fionnuala Kofoed	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the City Council a Certificate of Compliance with Open Meeting Law with respect to this March 17, 2015, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Councilmember and seconded by Councilmember \_\_\_\_\_, was adopted by the following vote:

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF EAGLE MOUNTAIN CITY, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$600,000 AGGREGATE PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE BONDS, SERIES 2015; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE EXECUTION BY THE ISSUER OF A SUPPLEMENTAL INDENTURE OF TRUST, AND OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE SERIES 2015 BONDS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), the City Council (the “City Council”) of Eagle Mountain City, Utah (the “Issuer”), is authorized to issue bonds payable from the net revenues of its existing water and sewer system (the “System”) for the municipal purposes set forth in the Act; and

WHEREAS, subject to the limitations set forth herein, the Issuer desires to issue its Water and Sewer Revenue Bonds, Series 2015 (the “Series 2015 Bonds”) to (a) finance the construction of sewer pipelines and pump stations for the White Hills Subdivision and repairs to an existing collection system, and related improvements (collectively, the “Project”), and (b) pay costs of issuance of the Series 2015 Bonds pursuant to this Resolution, a General Indenture of Trust (the “General Indenture”) dated as of July 1, 2007, between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), and a Supplemental Indenture of Trust, between the Issuer and the Trustee, in substantially the form presented to the meeting at which this resolution was adopted and which is attached hereto as Exhibit B (the “Supplemental Indenture”); and

WHEREAS, the State of Utah Department of Environmental Quality, Water Quality Board (the “Water Quality Board”) has offered to purchase the Issuer’s Series 2015 Bonds; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (a) give notice of its intent to issue such bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential economic impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2015 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, in order to allow the Issuer (with the consultation and approval of the Issuer's Financial Advisor, Lewis Young Robertson & Burningham, Inc. (the "Financial Advisor")) flexibility in setting the pricing date of the Series 2015 Bonds to optimize debt service savings to the Issuer, the Council desires to grant to the Mayor or Mayor Pro Tem (collectively, the "Mayor"), the City Administrator (the "City Administrator") or the Finance Director (the "Finance Director") (collectively, the "Designated Officers"), in accordance with state law, the authority approve the interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2015 Bonds shall be sold and any changes with respect thereto from those terms which were before the Council at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the "Parameters").

NOW, THEREFORE, it is hereby resolved by the City Council of Eagle Mountain City, Utah, as follows:

Section 1. The Issuer hereby authorizes and approves the issuance and sale of the Series 2015 Bonds to the Water Quality Board for the purpose of financing the Project, funding a debt service reserve fund, and paying costs of issuance of the Series 2015 Bonds, in the aggregate principal amount of not to exceed \$600,000, to bear interest at the rate or rates of not to exceed two percent (2.0%) to mature in not more than twenty-two (22) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, and to be subject to redemption, all as shall be approved by the Designated Officers within the parameters set forth herein so long as the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in this Section 1.

Section 2. The form of Supplemental Indenture, attached hereto as Exhibit B, is in all respects hereby authorized and approved, and the Mayor and the City Recorder are hereby authorized and directed to execute and deliver the same on behalf of the Issuer.

Section 3. The form, terms, and provisions of the Series 2015 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Mayor and City Recorder are hereby authorized and directed to execute and seal the Series 2015 Bonds and to deliver said Series 2015 Bonds to the trustee for authentication. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 4. The appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Supplemental Indenture, the Series 2015 Bonds, or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2015 Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to

remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the City Council or the provisions of the laws of the State of Utah or the United States.

Section 5. The appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Series 2015 Bonds in accordance with the provisions of the Indenture.

Section 6. Upon their issuance, the Series 2015 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2015 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2015 Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 7. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate (including, but not limited to a bond purchase contract) in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 8. After the Series 2015 Bonds are delivered by the trustee to the Water Quality Board, and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of the Series 2015 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 9. The form of Supplemental Indenture authorized and approved hereby is authorized and approved with such additions, modifications, deletions, and changes thereto as may be deemed necessary or appropriate and approved by the City Attorney. The execution thereof by the Mayor on behalf of the Issuer shall conclusively establish such necessity, appropriateness, and approval with respect to all such additions, modifications, deletions, and changes incorporated therein.

Section 10. The Issuer shall hold a public hearing on April 7, 2015 to receive input from the public with respect to (a) the issuance of the Series 2015 Bonds, and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2015 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first published (i) once a week for two consecutive weeks in The Daily Herald, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website ([www.utahlegals.com](http://www.utahlegals.com)) created under Section 45-1-101, Utah Code Annotated 1953, as amended. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Eagle Mountain City offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days

from and after the date of publication thereof. The Issuer directs its officers and staff to publish a “Notice of Public Hearing and Bonds to be Issued” in substantially the following form:

## NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on March 17, 2015, the City Council (the "City Council") of Eagle Mountain City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Water and Sewer Revenue Bonds, Series 2015 (the "Series 2015 Bonds") and called a public hearing to receive input from the public with respect to (a) the issuance of the Series 2015 Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2015 Bonds may have on the private sector.

### TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on April 7, 2015, at the hour of 7:00 p.m. at 1650 East Stagecoach Run, Eagle Mountain, Utah. All members of the public are invited to attend and participate.

### PURPOSE FOR ISSUING THE SERIES 2015 BONDS

The Series 2015 Bonds will be issued for the purpose of (a) financing the construction of sewer pipelines and pump stations for the White Hills Subdivision and repairs to an existing collection system, and related improvements (collectively, the "Project"), and (b) paying costs of issuance of the Series 2015 Bonds.

### REVENUES TO BE PLEDGED

The Series 2015 Bonds are special limited obligations of the Issuer payable from the net revenues of the Issuer's Water and Sewer system.

### PARAMETERS OF THE SERIES 2015 BONDS

The Issuer intends to issue the Series 2015 Bonds in the aggregate principal amount of not more than Six Hundred Thousand Dollars (\$600,000), to bear interest at the rate or rates of not to exceed two percent (2.0%) per annum, to mature in not more than twenty-two (22) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof. The Series 2015 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General Indenture of Trust dated as of July 1, 2007, as heretofore amended and supplemented (the "General Indenture"), and a Supplemental Indenture of Trust (the "Supplemental Indenture" and together with the General Indenture, the "Indenture") which were before the City Council in substantially final form at the time of the adoption of the Resolution. Said Supplemental Indenture is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2015 Bonds will not exceed the maximums set forth above.

## OUTSTANDING BONDS SECURED BY WATER AND SEWER REVENUES

The Issuer has \$22,996,000 of Bonds currently outstanding that are secured by the Water and Sewer Revenues.

### OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Paul Jerome at (801) 789-6606.

### TOTAL ESTIMATED COST

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Series 2015 Bonds if held until maturity is \$543,356.

A copy of the Resolution and the Indenture are on file in the office of the City Recorder, 1650 East Stagecoach Run, Eagle Mountain, Utah, where they may be examined during regular business hours of the City Recorder from 7:30 a.m. to 5:30 p.m. Monday through Friday for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (only as the same relates to the Series 2015 Bonds), or the Series 2015 Bonds, or any provision made for the security and payment of the Series 2015 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 whatsoever.

DATED this March 17, 2015.

/s/ Fionnuala Kofoed

City Recorder

Section 11. The City Council hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Project, in an amount not to exceed \$600,000. The Series 2015 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was made.

Section 12. The Issuer hereby reserves the right to opt not to issue the Series 2015 Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing.

Section 13. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

PASSED, ADOPTED AND APPROVED this March 17, 2015.

EAGLE MOUNTAIN CITY, UTAH

(SEAL)

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Mayor

ATTEST:

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City Recorder

(Here follows business not pertinent to the above.)

Pursuant to motion duly made and seconded, the City Council adjourned.

(SEAL)

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Mayor

ATTEST:

---

City Recorder

STATE OF UTAH )  
 : ss.  
COUNTY OF UTAH )

I, Fionnuala Kofoed, the duly appointed and qualified City Recorder of Eagle Mountain City, Utah (the "City"), does hereby certify according to the records of the City Council of the City (the "City Council") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on March 17, 2015, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on March 17, 2015, and pursuant to the Resolution, there will be published a Notice of Public Hearing and Bonds to be Issued no less than fourteen (14) days before the public hearing date: (a) one time each week for two consecutive weeks in The Daily Herald, a newspaper having general circulation within the District, the affidavit of which publication is hereby attached, (b) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended and (c) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this March 17, 2015.

(SEAL)

By: \_\_\_\_\_  
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH  
OPEN MEETING LAW

I, Fionnuala Kofoed, the undersigned City Recorder of Eagle Mountain City, Utah (the "City"), does hereby certify, according to the records of the City 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 March 17, 2015, public meeting held by the City Council of the City (the "City Council") as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the City on March \_\_\_\_, 2015, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to The Daily Herald on March \_\_\_\_, 2015, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2015 Annual Meeting Schedule for the City Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be (a) posted on \_\_\_\_\_, at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City on \_\_\_\_\_, and (c) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this March 17, 2015.

(SEAL)

By: \_\_\_\_\_  
City Recorder

SCHEDULE 1  
NOTICE OF MEETING

SCHEDULE 2  
ANNUAL MEETING SCHEDULE

(attach Proof of Publication of  
Notice of Bonds to be Issued)

EXHIBIT B

INDENTURE

(See Transcript Document Nos. \_\_ and \_\_)

FOURTH SUPPLEMENTAL INDENTURE OF TRUST

Dated as of \_\_\_\_\_, 2015

by and between

EAGLE MOUNTAIN CITY, UTAH

and

U.S. BANK NATIONAL ASSOCIATION

Supplementing the General Indenture of Trust  
Dated as of July 1, 2007

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#### FOURTH SUPPLEMENTAL INDENTURE OF TRUST

This Fourth Supplemental Indenture of Trust, dated as of \_\_\_\_\_, 2015, by and between Eagle Mountain City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer") and U.S. Bank National Association, a national bank duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah (the "Trustee");

#### WITNESSETH:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of July 1, 2007 (the "General Indenture"), with the Trustee; and

WHEREAS, the Issuer desires to issue a Series of Bonds to finance improvements and additions to its water and sewer systems as hereinafter set forth; and

WHEREAS to (i) finance the construction of sewer pipelines and pump stations for the White Hills Subdivision and repairs to an existing collection system, and related improvements (the "2015 Project"), and (ii) pay the costs of issuance of the Series 2015 Bonds herein authorized, the Issuer has determined to issue its Water and Sewer Revenue Bonds, Series 2015 in the aggregate principal amount of \$\_\_\_\_\_ (the "Series 2015 Bonds"); and

WHEREAS, the Series 2015 Bonds will be authorized, issued and secured under the General Indenture, as amended and supplemented by this Fourth Supplemental Indenture (the "Fourth Supplemental Indenture," and collectively with the General Indenture, and any amendments thereto or hereto, the "Indenture"); and

WHEREAS, the State of Utah acting through the State of Utah Department of Environmental Quality, Division of Water Quality (the "Water Quality Board") has agreed to purchase the Series 2015 Bonds upon the terms and conditions herein set forth; and

WHEREAS, the execution and delivery of the Series 2015 Bonds and of this Fourth Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2015 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Fourth Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2015 Bonds and all Additional Bonds issued and Outstanding under the Indenture, the payment of the principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds and of all Reserve Instrument Providers and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time and the issuance of the Reserve Instrument by the Reserve Instrument Provider,

and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer has executed and delivered this Fourth Supplemental Indenture of Trust, and by these presents does, in confirmation of the General Indenture, as amended and supplemented, hereby sell, assign, transfer, set over and pledge unto U.S. Bank National Association, as Trustee, its successors and trusts and its assigns forever, to the extent provided in the General Indenture, as amended and supplemented, all right, title and interest of the Issuer in and to (i) the Net Revenues (as defined in the General Indenture), (ii) all moneys in funds and accounts held by the Trustee under the General Indenture and hereunder (except the Rebate Fund), and (iii) all other rights granted under the General Indenture and hereinafter granted for the further securing of such Bonds.

TO HAVE AND TO HOLD THE SAME unto the Trustee and its successors in trust hereby created and its and their assigns forever;

IN TRUST, NEVERTHELESS, FIRST, for the equal and ratable benefit and security of all present and future Registered Owners of Bonds without preference, priority, or distinction as to lien or otherwise (except as otherwise specifically provided), of any one Bond over any other Bond, and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever.

## ARTICLE I

### SUPPLEMENTAL INDENTURE; DEFINITIONS

Section 1.1 Supplemental Indenture. This Fourth Supplemental Indenture is supplemental to, and is executed in accordance with and pursuant to Articles II and VII of the General Indenture.

Section 1.2 Uniform Definitions. All terms which are defined in the General Indenture, shall have the meanings, respectively, herein (including the use thereof in the recitals and the granting clauses thereof) unless expressly given a different meaning or unless the context clearly otherwise requires. All terms used herein which are defined in the recitals hereto shall have the meanings therein given to the same unless the context requires otherwise and, in addition, the following terms shall have the meanings specified below.

Section 1.3 Additional Definitions. In addition, for purposes of the General Indenture and this Fourth Supplemental Indenture, the following terms shall, unless the context clearly requires otherwise, have the meanings as follows:

“Debt Service Reserve Requirement means, with respect to the Series 2015 Bonds, an initial amount of \$ \_\_\_\_\_, which shall be funded as provided in Section 4.3 herein.

[“Interest Payment Date” with respect to the Series 2015 Bonds, means each May 15 beginning May 15, \_\_\_\_.]

“Original Issue Date” means with respect to the Series 2015 Bonds, their initial delivery date.

“Parity Bonds” means, collectively, the Issuer’s Outstanding Water and Sewer Revenue Bonds, Series 2007, Water and Sewer Revenue Bonds, Series 2008 and Water and Sewer Revenue Bonds, Series 2013.

“Series 2015 Debt Service Reserve Account” means the account established within the Debt Service Reserve Fund under the General Indenture held in trust by the Trustee.

“Series 2015 Acquisition/Construction Account” means the account established within the Acquisition/Construction Fund under the General Indenture held in trust by the Trustee, into which the net proceeds of the Series 2015 Bonds shall be deposited as provided herein.

“Series 2015 Bonds” means the Issuer’s Water and Sewer Revenue Bonds, Series 2015, herein authorized.

“2015 Project” means the Project financed by the Series 2015 Bonds as described in Exhibit A attached hereto.

“Water Quality Board” means the State of Utah acting through the State of Utah Department of Environmental Quality, Water Quality Board.

## ARTICLE II

### ISSUANCE OF THE SERIES 2015 BONDS

Section 2.1 Principal Amount, Designation and Series. The Series 2015 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (a) finance the 2015 Project and (b) pay costs incurred in connection with the issuance of the Series 2015 Bonds. The Series 2015 Bonds shall be limited to \$ \_\_\_\_\_ in aggregate principal amount, shall be issued (i) if issued as a State Bond, in the form set forth in Exhibit B-1 and (ii) if issued as an Exchange Bond, in the form set forth in Exhibit B-2 in fully registered form. The Series 2015 Bonds shall bear interest from their Original Issue Date at the rate of \_\_\_\_% per annum on the unpaid principal balance of the Series 2015 Bonds which shall be payable commencing [May 15, 20\_\_], until the Series 2015 Bonds are paid in full. If issued as Exchange Bonds, the Series 2015 Bonds shall be in the denomination of \$1,000 or any integral multiple thereof. The Series 2015 Bonds shall initially be issued as one fully registered State Bond. The Series 2015 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, “Eagle Mountain City, Utah Water and Sewer Revenue Bonds, Series 2015.”

The Series 2015 Bonds shall be issued on a parity with the Issuer’s Parity Bonds, such that the Series 2015 Bonds are secured by an equal lien pledge of the Net Revenues of the Issuer’s System with said Parity Bonds.

The Series 2015 Bonds shall be in such form as to permit the Water Quality Board to make incremental advances on its total loan commitment to the Issuer during the period of acquisition and construction of the Project.

Section 2.2 Advances of Proceeds. On or before fifteen (15) days prior to the first day of each calendar quarter beginning prior to the payment by the Issuer of costs of construction of the 2015 Project, or at such other time as shall be specified by the Water Quality Board, the Issuer shall provide to the Water Quality Board a certificate setting forth a schedule of the costs of construction which the Issuer estimates will become due and payable by the Issuer during the next calendar quarter. Advances made by the Water Quality Board on the basis of such certificates shall be deposited in the Series 2015 Acquisition/Construction Account. All such advances shall be in the amount of \$1,000 or any integral multiple thereof. Upon receipt of evidence of deposit of each advance in the Series 2015 Acquisition/Construction Account, the Treasurer of the Issuer shall give telephonic authorization followed by written confirmation to the Water Quality Board to stamp or write the date and amount of such advance made by the Water Quality Board in the appropriate place on the Certificate of Dates of Payment and Amount appearing on the State Bonds. Each advance made by the Water Quality Board on the State Bonds shall constitute proceeds of the State Bonds and shall be deemed to constitute the full purchase price of the corresponding principal amount of the State Bonds noted on the Certificate of Dates of Payment and Amount appearing on the State Bond(s). As advances are made by the Water Quality Board, they shall be deemed to represent principal payments in the order of their maturity.

Section 2.3 Date, Payment Dates, and Interest. The Series 2015 Bonds shall be in the denomination of One Thousand Dollars (\$1,000) each or any integral multiple thereof and shall be paid as provided in this Section 2.3.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Series 2015 Bonds at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent.

So long as the Water Quality Board is the Registered Owner of the Series 2015 Bonds, payments on the Series 2015 Bonds shall be made by check or draft without presentation of the Series 2015 Bonds and mailed to the Water Quality Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. Payment on the Series 2015 Bonds shall be made 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.

The Series 2015 Bonds shall be dated as of the Original Issue Date, and shall be payable in installment payments on May 15 in the years and in the amounts and shall bear interest at the rate of \_\_\_\_% per annum as follows:

<u>Payment Date</u> <u>(May 15)</u>	<u>Principal Amount</u>	<u>Payment Date</u> <u>(May 15)</u>	<u>Principal Amount</u>
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If less than \$\_\_\_\_\_ is advanced on the Series 2015 Bonds, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of payment (and the amount of the final remaining principal payment shall be reduced, if required) to correspond to the maximum principal amount of the Series 2015 Bonds.

The interest on Series 2015 Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the Registered Owner thereof at the close of business on the Regular Record Date for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Series 2015 Bonds on such Regular Record Date, and may be paid to the registered owner thereof at the close of business on a Special Record Date for

the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such registered owner not less than ten days prior to such Special Record Date. The principal of and premium, if any, on the Series 2015 Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee. Interest shall be paid by check or draft mailed on each Interest Payment Date to the Holder of each of the Series 2015 Bonds as the name and address of such Holder appears on the Record Date in the Register. Interest on the Series 2015 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 2.4 Delinquent Payment. Payments of principal and interest on the Series 2015 Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen percent (18%) per annum on the delinquent payment from said due date until paid in full.

Section 2.5 Exchange of State Bonds. As long as the Water Quality Board is the sole Registered Owner of the Series 2015 Bonds, the Series 2015 Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit B. It is recognized that the Water Quality Board may sell or otherwise transfer the Series 2015 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the Water Quality Board determines to sell or otherwise transfer all or a portion of the Series 2015 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 3.5. Any Series 2015 Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the Water Quality Board pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit B-2, and shall be executed pursuant to authorization contained in Section 2.6 of the General Indenture. Each principal payment on the State Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the State Bonds for Exchange Bonds, provided that the Water Quality Board shall pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

Section 2.6 Designation of Registrar. U.S. Bank National Association, Salt Lake City, Utah, is hereby designated as Registrar for the Series 2015 Bonds, acceptance of which appointment shall be evidenced by execution of this Fourth Supplemental Indenture by the Trustee.

Section 2.7 Designation of Paying Agent. U.S. Bank National Association, Salt Lake City, Utah, is hereby designated as Paying Agent for the Series 2015 Bonds, acceptance of which appointment shall be evidenced by execution of this Fourth Supplemental Indenture by the Trustee.

Section 2.8 Limited Obligation. The Series 2015 Bonds, together with interest thereon, shall be special limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Series 2015 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

Section 2.9 Enforcement of Indenture With Respect to Series 2015 Bonds. Notwithstanding anything in the General Indenture or herein to the contrary, so long as the Water Quality Board is the Registered Owner of the Series 2015 Bonds, it may deal directly with the Issuer in the servicing and enforcement of said Series 2015 Bonds; provided, however, prior to undertaking any enforcement activity, it will consult with the Trustee and coordinate any such enforcement with the Trustee to the extent permissible under State regulations, and further provided that no remedial action may be taken by Water Quality Board or the Trustee which favors one Bondholder over another.

Section 2.10 Optional Redemption and Redemption Prices. Each principal payment of the Series 2015 Bonds is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer, in inverse order of the due dates thereof, and by lot selected by the Issuer if less than all of the State Bonds of a particular due date are to be redeemed, upon notice as provided in Section 2.8 of the General Indenture, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment of the Water Quality Board with respect to the State Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption.

Section 2.11 Sale of Series 2015 Bonds. The Series 2015 Bonds are hereby sold to the Water Quality Board at a purchase price of \$\_\_\_\_\_.

Section 2.12 Series 2015 Bonds as Construction Bonds. The Series 2015 Bonds are issued as the Construction Bonds under Section 2.13 of the General Indenture. The Issuer hereby certifies that the requirements set forth in Section 2.4(c) of the General Indenture have been and will be complied with in connection with the issuance of the Series 2015 Bonds.

## ARTICLE III

### ADDITIONAL COVENANTS

Section 3.1 Additional Covenants With Respect to the Series 2015 Bonds. The Issuer hereby covenants and agrees with the holder of the Series 2015 Bonds issued hereunder the following:

(a) So long as the Series 2015 Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. The Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System and all properties constituting the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each fiscal year (the term "fiscal year" as used in this subsection meaning whatever twelve-month period the Issuer may from time to time be using for general financial accounting purposes) cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the System, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the Water Quality Board is the registered owner of any of the Series 2015 Bonds, each such audit will be supplied to the Water Quality Board as soon as completed without prior request therefor by the Water Quality Board. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(i) A statement in detail of the income and expenditures of the System for such fiscal year;

(ii) A balance sheet as of the end of such fiscal year;

(iii) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Fourth Supplemental Indenture, and the accountant's recommendations for any change or improvement in the operation of the System;

(iv) A list of the insurance policies in force at the end of the fiscal year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy;

(v) The number of parcels of property connected to the System at the end of the fiscal year;

(vi) An analysis of all funds created in the General Indenture, setting out all deposits and disbursements made during the fiscal year and the amount in each fund at the end of the fiscal year;

(vii) The number of water and sewer connections within the boundaries of the Issuer, and applications for water and sewer service on hand at the end of the fiscal year;

(viii) The total billings for such fiscal year;

(ix) All schedules of rates and charges imposed for water and sewer service during the fiscal year.

The audit must be performed in accordance with generally accepted government auditing standards.

(b) In addition to the reporting requirements set forth in 3.1(a) above, the Issuer shall submit to the Water Quality Board within one hundred eighty (180) days following the close of the Issuer's fiscal year, a summary report substantially in the form as provided by the Water Quality Board to the Issuer upon purchase of the Series 2015 Bonds. The Water Quality Board may, however, upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular fiscal year set forth in this Section 3.1(b).

All expenses incurred in compiling the information required by this section shall be regarded and paid as an Operation and Maintenance Expense. If the holder of the Series 2015 Bonds is other than the Water Quality Board, the Issuer agrees to furnish a copy of such information to such Bondholder at its request after the close of each fiscal year. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

(c) Every officer, agent or employee of the Issuer having custody or control of any of the Revenues or of the proceeds of the Series 2015 Bonds shall be bonded by a responsible corporate surety in an amount not less than twice the annual debt service on all Bonds issued under the Indenture, plus the annual debt service of the Series 2015 Bonds. The premiums on such surety bonds shall not be an Operation and Maintenance Expense of the System.

(d) The Issuer shall commence and complete the acquisition and construction of the Series 2015 Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(e) The Issuer may consolidate the bills submitted for culinary water service with those submitted for secondary water service for those persons who are liable for the payment of charges for such services and require that each such consolidated bill be paid in full as a unit, and refuse to permit payment of one

portion without payment of the remainder. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any water bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all water service to the water user concerned to be cut off immediately.

(f) The Issuer will maintain its corporate identity, will make no attempt to cause its corporate existence to be abolished and will resist all attempts by other municipal corporations to annex all or any part of the territory now or hereafter in the Issuer or served by the System.

(g) The Issuer shall commence and complete the acquisition and construction of the Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(h) The Issuer will, upon request, provide a copy of the Trustee's annual accounting required by Section 7.13 of the General Indenture to the Water Quality Board.

(i) The Issuer agrees, in accepting the proceeds of the Series 2015 Bonds, to comply with all applicable state and federal regulations related to the Utah State Revolving Fund administered by the Water Quality Board. These requirements include, but are not limited to, Title VI of the Clean Water Act of 1987, The Single Audit Act of 1996, the Utah Wastewater Loan Program, the Local Government Bonding Act, the Utah Money Management Act, the Utah Procurement Code, and the State of Utah Legal Compliance Audit Guide.

### Section 3.2 Tax Matters.

(a) The Issuer shall make no investment or other use of the proceeds of the Series 2015 Bonds at any time during the term thereof which, if such investment or other use had been reasonably expected on the date the Series 2015 Bonds is issued, would have caused the Series 2015 Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder and shall comply with all the requirements thereof throughout the term of the Series 2015 Bonds.

(b) Mayor and the Treasurer of the Issuer are hereby authorized and directed to execute such certificates as shall be necessary to establish that the Series 2015 Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Treasury Regulations promulgated or proposed with respect thereto, as the same currently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners that no use will be made of the proceeds of the issue and sale of the Series 2015 Bonds, or any funds or accounts of the Issuer which may be deemed to be gross proceeds of the Series 2015 Bonds, which use, if it had been reasonably expected on the date of issuance of the Series 2015

Bonds, would have caused the Series 2015 Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of the Series 2015 Bonds with the requirements of Sections 103 and 141 through 150 of the Code and the regulations proposed or promulgated with respect thereto. The Issuer further represents and covenants that no bonds or other evidences of indebtedness of the Issuer have been or will be issued, sold, or delivered within a period beginning fifteen (15) days prior to the sale of the Series 2015 Bonds and ending fifteen (15) days following the delivery of the Series 2015 Bonds.

Section 3.3 No Additional Priority Bonds. No additional indebtedness, bonds, or notes of the Issuer payable on a priority to the pledge of Net Revenues for the payment of the Bonds issued under the General Indenture, including the Series 2015 Bonds, shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds.

## ARTICLE IV

### APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 4.1 Application of Proceeds of the Series 2015 Bonds. The Issuer shall deposit with the Trustee the proceeds of the Series 2015 Bonds when advanced pursuant to Section 3.2 herein, and the Trustee shall deposit said proceeds into the Series 2015 Acquisition/Construction Account held by the Trustee under the General Indenture. At closing, \$\_\_\_\_\_ (\$\_\_\_\_\_, less an origination fee of \$\_\_\_\_\_ due to the Water Quality Board, as purchaser of the Series 2015 Bonds) of the proceeds from the sale of the Series 2015 Bonds have been deposited in the Series 2015 Acquisition/Construction Account within the Construction Fund.

Section 4.2 Series 2015 Acquisition/Construction Account. Disbursements of moneys in the Series 2015 Acquisition/Construction Account shall be made in accordance with the terms of Section 3.1 of the General Indenture. Each requisition from said Series 2015 Acquisition/Construction Account shall be approved by a qualified representative of the Water Quality Board, provided, however, that the Costs of Issuance shall be paid by the Trustee from the Series 2015 Acquisition/Construction Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request in substantially the form of Exhibit C attached hereto

Section 4.3 Series 2015 Debt Service Reserve Account. From and after the delivery date of the Series 2015 Bonds, the Issuer shall allocate in no more than ten annual installments to be paid on May 15 of each year, to the Series 2015 Debt Service Reserve Account within the Debt Service Reserve Fund an amount equal to \$\_\_\_\_\_, plus such additional amount as may be required to meet any monthly installment to said Account which has not been previously paid in whole or in part, until there shall have been accumulated therein an amount equal to \$\_\_\_\_\_, the Debt Service Reserve Requirement with respect to the Series 2015 Bonds. The moneys on deposit in the Series 2015 Debt Service Reserve Account shall be used and when used, replenished, in accordance with the provisions of the General Indenture.

Section 4.4 Emergency Repair and Replacement Fund. The Issuer hereby establishes an emergency repair and replacement fund with respect to the Series 2015 Bonds (the "Replacement Fund") held by the Issuer and shall deposit therein (prior to the end of each Bond Fund Year) an amount equal to five percent (5%) of the Issuer's annual operating budget for the System, including debt service and depreciation and must continue said annual deposits until the Series 2015 Bonds are redeemed. The Replacement Fund shall not serve as security for the payment of principal or interest on the Series 2015 Bonds. The Issuer shall limit the use of moneys on deposit in the Replacement Fund to the construction of Capital Facilities (as herein defined) for its System. No disbursements shall be made from said Fund unless and until the Issuer has given at least thirty-one (31) days' advance written notice to the Water Quality Board specifying the amount of the proposed disbursement and the purpose for which said disbursement will be made. The Issuer shall not, however, be required to obtain the consent of the Water Quality Board prior to making any disbursement from said Fund.

For purposes of this Section 4.4, “Capital Facilities” means the replacement of obsolete equipment or facilities whose useful life has expired, extensions, or additions to the Issuer’s System, and other capital improvements necessary to keep the System in good operational condition.

## ARTICLE V

### MISCELLANEOUS

Section 5.1 Confirmation of Sale of Series 2015 Bonds. The sale of the Series 2015 Bonds to the Water Quality Board at a price of \$\_\_\_\_\_ is hereby ratified, confirmed, and approved.

Section 5.2 Severability. If any provision of this Fourth Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Fourth Supplemental Indenture contained, shall not affect the remaining portions of this Fourth Supplemental Indenture, or any part thereof.

Section 5.3 Counterparts. This Fourth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.4 Applicable Law. This Fourth Supplemental indenture shall be governed exclusively by the applicable laws of the State of Utah.

Section 5.5 Effective Date. This Fourth Supplemental Indenture shall become effective immediately upon execution.

## ARTICLE VI

### CONFIRMATION OF GENERAL INDENTURE

As supplemented by this Fourth Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture, and this Fourth Supplemental Indenture shall be read, taken and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants, and agreements of the General Indenture shall apply and remain in full force and effect with respect to this Fourth Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Fourth Supplemental Indenture of Trust to be executed as of the date first written above.

EAGLE MOUNTAIN CITY, UTAH

(SEAL)

By: \_\_\_\_\_  
Mayor

COUNTERSIGN:

By: \_\_\_\_\_  
City Recorder

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A

DESCRIPTION OF 2015 PROJECT

The construction of sewer pipelines and pump stations for the White Hills Subdivision and repairs to an existing collection system, and related improvements and related improvements.

EXHIBIT B-1

FORM OF STATE BONDS—SERIES 2015 BOND

UNITED STATES OF AMERICA  
STATE OF UTAH  
EAGLE MOUNTAIN CITY  
WATER AND SEWER REVENUE BOND, SERIES 2015

Number R - 1 \$ \_\_\_\_\_

Interest Rate Maturity Date Original Issue Date

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

Eagle Mountain City, Utah (“Issuer”), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above in installments set forth herein with interest thereon until paid at the Interest Rate per annum specified above, payable annually on [May 15] of each year with two interest only payments commencing May 15, 20\_\_, until said Principal Amount is paid in full. Principal and premium, if any, shall be payable upon surrender of this Bond at the principal offices of U.S. Bank National Association, 170 South Main Street, 2nd Floor, Salt Lake City, Utah (“Trustee” and “Paying Agent”), or its successors provided, however, that as long as the State of Utah Department of Environmental Quality Water Quality Board (“Water Quality Board”) is the registered holder of this Bond, installment payments of principal and interest shall be made without presentation of the Bond by check or draft mailed to the Water Quality Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America. Principal shall be payable in registered installments on May 15 of each of the years as set forth in the following repayment schedule:

Payment Date (May 15)	<u>Principal Amount</u>	Payment Date (May 15)	<u>Principal Amount</u>
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If less than \$\_\_\_\_\_ is advanced on the Series 2015 Bonds, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of payment (and the amount of the final remaining principal payment shall be reduced, if required) to correspond to the maximum principal amount of the Series 2015 Bonds.

If any installment payment of Bond principal and interest is not paid when due and payable, the Issuer shall pay interest at the rate of eighteen percent (18%) per annum on the delinquent installment from said due date until paid. All payments shall be made 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.

This Bond is payable solely from a special fund designated the “Bond Fund” established under a General Indenture of Trust dated July 1, 2007 (the “General Indenture”) by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). To the extent necessary to assure prompt payment of this Bond, the Issuer shall pledge 100% of the Net Revenues (as defined in the Indenture herein described) in the Bond Fund derived and to be derived from the operation of the Issuer’s water and sewer systems (collectively, the “System”), all as more fully described and provided in the General Indenture, as supplemented by a Fourth Supplemental Indenture dated as of \_\_\_\_\_, 2015 (the “Fourth Supplemental Indenture”), by and between the Issuer and the Trustee approved by the City Council of the Issuer on October 21, 2015 (the General Indenture as previously amended and as further amended in the Fourth Supplemental Indenture are collectively referred to herein as the “Indenture”).

This Bond is issued pursuant to (1) the Indenture and (2) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended (the “Act”) for the purpose of providing funds to (a) finance the 2015 Project as defined in the General Indenture and (b) pay costs incurred in connection with the issuance of the Series 2015 Bonds. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Indenture) of the System and does not

constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Revenues of the System.

As provided in the Indenture, bonds, notes and other obligations 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 Indenture, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Indenture on a parity with this Bond 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 Indenture.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Trustee, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the registered owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Trustee.

Subject to the provisions of the Indenture, the Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water and sewer service sufficient to pay when due this Bond and the principal and interest on all bonds issued on a priority to or parity with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Revenues (as defined in the Indenture) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Indenture) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Indenture, the Indenture 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 Indenture. The holder or owner of this

Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond shall be registered in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the Trustee, who shall be the Registrar. This Bond is transferable only by notation upon said book by the registered owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or his attorney duly authorized in writing; thereupon, this Bond shall be delivered to and registered in the name of the transferee.

It is hereby declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues (as defined in the Indenture) to be derived from the operation of the System have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of this Bond, and all bonds and notes issued on a parity with this Bond, if any, and that said Net Revenues are not pledged, hypothecated or anticipated in any way other than by the issue of this Bond and all bonds and notes issued on a parity with this Bond, if any.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder with the seal of said Issuer affixed, all as of this \_\_\_\_\_, 2015.

EAGLE MOUNTAIN CITY, UTAH

(SEAL)

By: \_\_\_\_\_ (Do Not Sign)  
Mayor

COUNTERSIGN:

By: \_\_\_\_\_ (Do Not Sign)  
City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is the Series 2015 Bond described in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication:

\_\_\_\_\_

REGISTRATION CERTIFICATE

(No writing to be placed herein except by the Bond Registrar)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	State of Utah Department of Environmental Quality, Water Quality Board	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

The undersigned authorized representative of the State of Utah Department of Environmental Quality, Water Quality Board (the "Board"), hereby certifies that the Board has received written authorization from the Treasurer of the Issuer to stamp or write the amount or amounts indicated below on the date or dates 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 for 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. A copy of this certificate shall be forwarded to the Trustee (U.S. Bank National Association) pursuant to the requirement in Section 3.2 of the Fourth Supplemental Indenture dated as of \_\_\_\_\_, 2015.

<u>Amount of Payment</u>	<u>Date of Payment</u>	<u>Total Principal Sum</u>	<u>Board Representative Signature</u>
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____



limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Revenues of the System.

As provided in the Indenture, bonds, notes and other obligations 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 Indenture, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Indenture on a parity with this Bond 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 Indenture.

The issuance of this Bond shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

The Bonds are subject to redemption prior to maturity at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of maturity and by lot within each maturity if less than the full amount is redeemed, upon not less than thirty (30) days' nor more than forty-five (45) days' prior notice, at a redemption price equal to 100% of the principal amount of each Bond to be redeemed. Notice of redemption shall be mailed by the Issuer, postage prepaid, to the registered owners of said Bonds addressed to such owners at their address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Indenture, the Series 2015 Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 or any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water service sufficient to pay this Bond when due, and principal and interest on all bonds and Bonds issued on a priority to or parity with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the Revenues (as defined in the Indenture) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Indenture) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds and notes issued on a parity with this Bond, if any.

To the extent and in the respects permitted by the Indenture, the Indenture 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 Indenture. The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an

event of default under the Indenture or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Trustee (the "Registrar") but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond and the issue of which it forms a part do exist, have happened and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond and the issue of which it forms a part does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that one hundred percent (100%) of the Net Revenues to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been pledged and will be set aside into said special fund by the Issuer to be used for the payment of this Bond and the issue of which it forms a part, and all bonds and notes issued on a parity with this Bond, if any, and that said Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than by the issue of Series 2015 Bonds of which this Bond is one and all bonds and notes issued on a parity with this Bond, if any.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder with the seal of said Issuer affixed, all as of \_\_\_\_\_, 2015.

(SEAL)

By:           /s/(manual or facsimile signature)            
Mayor

COUNTERSIGN:

By:           /s/(manual or facsimile signature)            
City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2015 Bonds described in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication:

\_\_\_\_\_

REGISTRATION CERTIFICATE

(No writing to be placed herein except by the Bond Registrar)

This Bond shall be payable only to the order of the registered owner or his legal representative.

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_, the undersigned sells, assigns, and transfers unto:

\_\_\_\_\_  
(Social Security or Other Identifying Number of Assignee)

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature: \_\_\_\_\_

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.

Signature Guaranteed:

\_\_\_\_\_

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

EXHIBIT C

COST OF ISSUANCE DISBURSEMENT REQUEST  
SERIES 2015 BONDS

U.S. Bank National Association  
170 South Main Street, Suite 200  
Salt Lake City UT 84101

Pursuant to Section 4.4 of the Fourth Supplemental Indenture of Trust dated as of \_\_\_\_\_, 2015, you are hereby authorized to pay to the following costs of issuance from the Cost of Issuance Fund:

[See Attached Schedule]

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MAYOR,  
EAGLE MOUNTAIN CITY, UTAH

STATE OF UTAH DEPARTMENT OF  
ENVIRONMENTAL QUALITY, WATER  
QUALITY BOARD

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COSTS OF ISSUANCE

Payee

Purpose

Amount