

NOTICE OF VERNAL CITY PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on April 6, 2016, the City Council (the "City Council") of Vernal City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance and sale of the Issuer's Taxable Water Revenue Bonds in one or more series (herein, the "Bonds") in an aggregate principal amount not to exceed \$400,000, to bear no interest, to mature in not more than thirty-five (35) years from their date or dates, and to be sold at a price not less than ninety-nine percent (99%) of the total principal amount thereof, plus accrued interest to the date of delivery, if any. The estimated total cost to the Issuer for the proposed Bonds, if the Bonds are held until the maximum maturity, based on the maximum interest rate above, is \$400,000. However, the Issuer anticipates that the Bonds will not be issued in an amount in excess of \$280,000 bearing no interest, to be repaid over 30 years, in which event the amount to be repaid will be \$280,000. Presently, the Issuer has no more than \$6,368,607 in outstanding bonds secured by a pledge of water revenues. The State of Utah Permanent Community Impact Fund Board has authorized a grant to the Issuer in the combined amount of \$933,000 for the Project and a sewer project.

NOTICE IS FURTHER GIVEN that the Issuer called a public hearing for the purpose of inviting public comment on the proposed issuance of the Bonds and the economic impact that the improvements proposed to be financed with the Bonds will have on the private sector. No taxes will be pledged to secure the Bonds. The public hearing will be held on May 4, 2016, at 7:00 p.m. or as soon thereafter as feasible, at the City Office located at 374 E Main, Vernal, Utah. All members of the public are invited to attend and participate.

The Bonds will be issued pursuant to the Resolution and a Final Bond Resolution to be adopted authorizing and confirming the sale of the Bonds (the "Final Bond Resolution") for the purposes of (i) financing the construction of water system improvements, and related improvements and (ii) paying the costs of issuing the Bonds.

A draft of the Final Bond Resolution in substantially final form was before the City Council and was part of the Resolution at the time of the adoption of the Resolution by the City Council. The Final Bond Resolution is to be adopted by the City Council in such form and with such changes thereto as shall be approved by the City Council upon the adoption thereof; provided that the principal amount, the interest rate, maturity and discount of the Bonds will not exceed the maximums set forth above.

A copy of the Resolution and Final Bond Resolution and information on the Issuer's outstanding bonds are on file in the office of the City Manager/Recorder of the Issuer where they may be examined during regular business hours for at least thirty (30) days from and after the last date of publication of this notice.

NOTICE IS FURTHER GIVEN that, for a period of thirty (30) days from and after the last date of the publication of this notice, any person in interest shall have the right to contest the legality of the Resolution or Final Bond Resolution or the Bonds, or any provision made for the security and payment of the Bonds by filing a verified written complaint in the district court of their county of residence, and that after such 30-day period, other than referendum rights, no one

shall have any cause of action to contest the regularity, formality or legality thereof for any reason.

DATED April 6, 2016.

/s/ Kenneth Bassett
City Manager/Recorder