Salt Lake City, Utah

 December 12, 2017

The State Bonding Commission, a public body created under Section 63B-1-201, Utah Code Annotated 1953, as amended (the *“Commission”*), convened in the Office of the Governor, Rampton Board Room, Suite C-200 of the Capitol Building, in Salt Lake City, Utah, at 4:00 p.m., on Tuesday, December 12, 2017, with the following members present:

|  |  |  |
| --- | --- | --- |
|  | Spencer J. Cox | Lieutenant Governor and Chair of the Commission |
|  | David C. Damschen | State Treasurer and Secretary of the Commission |
|  | Blaine L. Carlton | Member and Vice Chair of the Commission |
|  |  |  |
| Absent: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. |  |
|  |  |  |
| Also Present: |  |  |
|  | Kirt Slaugh | Deputy State Treasurer |
|  | Reed Stringham | Assistant Attorney General |
|  | Perri Babalis | Assistant Attorney General |

After the meeting had been duly called to order by the Chair of the Commission, David C. Damschen, State Treasurer and Secretary of the Commission, presented to the Commission a Certificate evidencing the giving of not less than 24 hours’ public notice of the December 12, 2017 meeting of the Commission by posting and providing a public notice in compliance with the provisions of law requiring public notice of Commission meetings. The Certificate was ordered recorded in the minutes of the meeting and is as follows:

State of Utah )

 ) ss.

County of Salt Lake )

Certificate

I, the undersigned Treasurer of the State of Utah and the Secretary of the State Bonding Commission (the *“Commission”*), do hereby certify, according to the records of the Commission 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 24 hours’ public notice of the agenda, date, time and place of the December 12, 2017, public meeting held by the Commission, as follows:

 (a) by causing a Notice, in the form attached hereto as *Appendix A*, to be posted at Suite 2110 of the State Office Building and the office of the Utah State Treasurer, Suite 180 in the Capitol Building, each on or before December 7, 2017, at least 24 hours before 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 *Appendix A*, to be provided to local media correspondents on or before December 7, 2017, at least 24 hours before the convening of the meeting, by providing a copy thereof to the local media correspondent of *The Salt Lake Tribune* and to the local media correspondent of the *Deseret News*, both newspapers of general circulation within the State of Utah, and by providing a copy thereof to any other local media correspondent which has requested notification of meetings of the Commission; and

 (c) by causing a copy of such Notice, in the form attached hereto as *Appendix A*, to be published on the Utah Public Notice Website at least 24 hours prior to the convening of the meeting.

I further certify that the Commission does not hold regular meetings that are scheduled in advance over the course of a year, but meets on an unscheduled basis from time to time, as needed.

(*Signature page follows.*)

In Witness Whereof, I have hereunto subscribed my official signature this 12th day of December, 2017.

 David C. Damschen
 State Treasurer and
 Secretary of the State Bonding Commission

After other matters not pertinent to the resolution described below, the Chair then stated that the Commission should consider the adoption of a resolution authorizing the issuance, sale and delivery of $\_\_\_\_\_\_\_\_\_\_ General Obligation Refunding Bonds, Series 2017.

Thereupon, the following resolution was introduced in writing by the Chair, was discussed by the Commission and thereafter, pursuant to a motion made by \_\_\_\_\_\_\_\_\_\_\_\_\_ and seconded by \_\_\_\_\_\_\_\_\_\_\_\_\_, was adopted by the following vote:

|  |  |
| --- | --- |
| Aye: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Nay: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. |

The resolution is as follows:

State of Utah
State Bonding Commission

Resolution Authorizing the
Issuance and Sale of

$\_\_\_\_\_\_\_\_\_\_
General Obligation Refunding Bonds
Series 2017

Adopted December 12, 2017

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A Resolution authorizing the issuance and confirming the sale of $\_\_\_\_\_\_\_\_\_\_ General Obligation Refunding Bonds, Series 2017, of the State of Utah; prescribing the terms, conditions and form of the Bonds; fixing the interest rate to be borne thereby; providing for the levy of taxes to pay principal of and interest on the Bonds; providing for the use of the proceeds thereof; providing for a system of registration therefor; ratifying actions heretofore taken; making certain representations and covenants concerning maintenance of the tax-exempt status of interest thereon under the federal tax law; and providing for related matters.

Whereas, pursuant to the provisions of (a) Title 63B, Chapter 1a (the *“General Obligation Bond Act”*) of the Utah Code Annotated 1953, as amended (the *“Utah Code”*), and (b) the Utah Refunding Bond Act, Title 11, Chapter 27 (the *“Refunding Bond Act”* and, collectively with the General Obligation Bond Act, the *“Acts”*), the State Bonding Commission (the *“Commission”*) is authorized to issue general obligation bonds of the State of Utah (the *“State”*) to provide funds to the State and its agencies (i) to refund in advance of their maturity certain of the State’s outstanding general obligation bonds (the *“Refunded Bonds”*) and (ii) to pay all or part of any cost incident to the issuance and sale of such bonds and the refunding of the Refunded Bonds;

Whereas, pursuant to the applicable provisions of the Acts, the State has authority to refund a portion of the now outstanding general obligation bonds of the State in advance of their maturity dates, and, in order to benefit the State by achieving a debt service savings on the State’s general obligation bonds, the State desires to issue general obligation bonds for the purpose of refunding and redeeming such outstanding general obligation bonds prior to their respective stated maturity dates;

Whereas, it is the finding and determination of the State that the refunding of such outstanding general obligation bonds of the State is beneficial to the State;

Whereas, a portion of the proceeds of the Bonds will be deposited with U.S. Bank National Association, as escrow agent (the *“Escrow Agent”*), pursuant to an Escrow Agreement (the *“Escrow Agreement”*), between the State and the Escrow Agent;

Whereas, on November 21, 2017, the Commission adopted a resolution authorizing the issuance of the Bonds and establishing parameters therefore and providing for a publication of a notice of bonds to be issued (the *“Parameters Resolution”*);

Whereas, Wells Fargo Bank, N.A. (the *“Purchaser”*), has offered to purchase the Bonds authorized hereby pursuant to a Bond Purchase Agreement dated the date hereof (the *“Bond Purchase Agreement”*) substantially in the form attached hereto as *Exhibit C* and, except as modified by the provisions hereof, such offer to purchase the Bonds complies with the provisions of the Parameters Resolution; and

Whereas, in the opinion of the Commission, it is to the best interests of the State that the offer of the Purchaser for the purchase of the Bonds be accepted and the sale of the Bonds to the Purchaser be ratified and confirmed.

Now, Therefore, Be It Resolved by the State Bonding Commission of the State of Utah as follows:

Article I

Definitions

 *Section 1.1. Definitions* . Terms defined in the foregoing recitals shall have the same meanings when used herein unless expressly given a different meaning or unless the context otherwise requires. As used in this Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

*“Acts”* means the General Obligation Bond Act and the Refunding Bond Act.

*“Bond Counsel”* means Chapman and Cutler LLP or another attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

*“Bondholder”* or *“Holder”* means the registered owner of any Bond as shown in the registration books of the Issuer kept by the Bond Registrar for such purpose.

*“Bond Proceeds Account”* means the account of that name created and to be administered and maintained as provided in Section 2.11 hereof.

*“Bond Registrar”* means each Person appointed by the Issuer as bond registrar and agent for the transfer, exchange and authentication of the Bonds. Pursuant to Section 2.6 hereof, the initial Bond Registrar is U.S. Bank National Association.

*“Bond Resolution”* means, collectively, this Resolution of the Commission adopted on December 12, 2017, and the Parameters Resolution.

*“Bond”* or *“Bonds”* means the $\_\_\_\_\_\_\_\_\_\_ General Obligation Refunding Bonds, Series 2017, of the Issuer authorized by the Bond Resolution.

*“Cede”* means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 4.1 hereof.

*“Closing Date”* means the date on which the Bonds are exchanged for the purchase price therefor paid by the Purchaser.

*“Code”* means the Internal Revenue Code of 1986, as amended.

*“Commission”* means the State Bonding Commission, a public body created pursuant to Section 63B-1-201 of the Utah Code.

*“Dated Date”* means the date of delivery of the Bonds.

*“Default Rate”* means 10% per annum.

*“DTC”* means The Depository Trust Company, New York, New York, and its successors and assigns.

*“Escrow Account”* means the Escrow Account established in an Escrow Agreement.

*“Escrow Agreement”* means the Escrow Agreement to be entered into between the Issuer and the Escrow Agent, in substantially the form attached hereto as *Exhibit C.*

*“Escrow Agent”* means U.S. Bank National Association.

*“Event of Default”* means with respect to any default or event of default hereunder any occurrence or event specified in and defined by Section 7.1 hereof.

“*Event of Insolvency*” means, with respect to any Person, the occurrence of one or more of the following events:

 (a) the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of such Person;

 (b) the commencement by or against such Person of a case or other proceeding seeking liquidation, reorganization or other relief with respect to such Person or its debts under any bankruptcy, insolvency or other similar state or federal law now or hereafter in effect, including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its Property or there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it;

 (c) the making of an assignment for the benefit of creditors by such Person;

 (d) the inability or failure of such Person to generally pay its debts as they become due;

 (e) the declaration of a moratorium with respect to the payment of the debts of such Person;

 (f) such Person shall admit in writing its inability to pay its debts when due;

 (g) such Person is “insolvent” as defined in Section 101(32) of the United States Bankruptcy Code; or

 (h) the initiation of any action in furtherance of or to authorize any of the foregoing by or on behalf of such Person.

*“Exchange Bond”* means any Exchange Bond as defined in Section 2.10 hereof.

*“Issuer”* means the State.

“*General Obligation Bond Act”* means Title 63B, Chapter 1a of the Utah Code.

*“Letter of Representations”* means the blanket letter of representations from the Issuer to DTC, attached hereto as *Exhibit A*.

*“Participant”* or *“Participants”* means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository.

*“Paying Agent”* means each Person appointed by the Issuer as paying agent with respect to the Bonds. Pursuant to Section 2.6 hereof, the initial Paying Agent is U.S. Bank National Association.

*“Person”* means natural persons, firms, partnerships, limited liability companies, associations, corporations, trusts, public bodies and other entities.

*“Purchaser”* means Wells Fargo Bank, N.A., as purchaser of the Bonds.

*“Record Date”* means the Bond Registrar’s close of business on the 15th day of the month next preceding each interest payment date or, if such day is not a regular business day of the Bond Registrar, the next preceding day which is a regular business day of the Bond Registrar.

*“Refunded Bonds”* means the portion of the Issuer’s currently outstanding General Obligation Bonds, Series 2013, in the aggregate principal amount of $109,500,000, maturing on and after July 1, 2023.

*“Refunding Bond Act”* means the Utah Refunding Bond Act, Title 11, Chapter 27 of the Utah Code.

*“Regulations”* means the United States Treasury Regulations issued or proposed under Section 103, 148 or 149 of the Code or other Sections of the Code relating to tax exempt bonds, and includes amendments thereto or successor provisions.

*“State”* means the State of Utah.

*“Taxable Date”* means the date on which interest on the Bonds is first includable in gross income of a Bondholder (including, without limitation, any previous Bondholder) thereof by reason of any act or omission of the State.

*“Taxable Rate”* means an interest rate per annum equal to the [product of the interest rate on the Bonds then in effect multiplied by 1.54%].

*“Tax Certificate”* means any agreement or certificate of the Issuer which the Issuer may execute in order to establish and maintain the excludability of interest on the Bonds from gross income of the owners thereof for federal income tax purposes.

*“Tax Commission”* means the State Tax Commission of the State of Utah, created under Article XIII, Section 6 of the Constitution of the State of Utah.

*“United States”* or *“U.S.”* means the government of the United States of America.

*“Utah Code”* means the Utah Code Annotated 1953, as amended.

*“2017 Refunding Sinking Fund”* means the fund of that name established, created and administered hereby, pursuant to the Acts.

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

 *Section 1.2. Authority for Bond Resolution* . The Bond Resolution is, and has been, adopted pursuant to the provisions of the Acts.

Article II

Authorization, Terms and Issuance of Bonds

 *Section 2.1. Authorization of Bonds, Principal Amount, Designation and Series* . In accordance with and subject to the terms, conditions and limitations established by the Acts and in the Bond Resolution, a series of general obligation bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of $\_\_\_\_\_\_\_\_\_\_. Such series of bonds shall be designated “General Obligation Refunding Bonds, Series 2017.”

 *Section 2.2. Purposes* . The Bonds are hereby authorized to be issued for the purpose of (a) providing funds to refund in advance of their maturity the Refunded Bonds and (b) paying all or part of any cost incident to the issuance and sale of the Bonds and the refunding of the Refunded Bonds, all under the authority of, in accordance with and subject to the provisions of the Acts.

 *Section 2.3. Issue Date* . The Bonds shall be dated the Dated Date.

 *Section 2.4. Bond Details* . (a) The Bonds will mature on July 1, 2028 in the principal amount of $\_\_\_\_\_\_\_\_\_\_ and will bear interest at the per annum rate of \_\_\_\_\_\_\_\_\_\_ percent (\_\_\_\_%) and shall be redeemed in part by operation of mandatory sinking fund redemption amounts as provided in Section 2.7(a) hereof.

 (b) The Bonds shall bear interest (calculated on the basis of a year of 360 days and twelve 30-day months) from the Dated Date, payable semiannually on January 1 and July 1 in each year commencing July 1, 2018, at the rates per annum set forth above.

 (c) The Bonds shall bear interest from the interest payment date next preceding the date of registration thereof unless (i) it is registered as of an interest payment date, in which event it shall bear interest from such interest payment date, (ii) it is registered prior to the first interest payment date, in which event it shall bear interest from its date, or (iii) as shown by the records of the Bond Registrar, interest on the Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full. The Bond Registrar shall insert the date of registration of each Bond in the place provided for such purpose in the form of Bond Registrar’s certificate of authentication on each Bond. The Bonds shall bear interest on overdue principal at the Default Rate. In the event the Bond Registrar shall be the State Treasurer pursuant to Section 2.6 hereof, the certificate of authentication of the Bond Registrar on each Bond shall be replaced by a certificate of registration substantially in the form provided in Section 6.1 hereof.

 *Section 2.5. Denominations and Numbers* . The Bonds shall be issued as fully registered bonds in the denomination of $100,000 and increments of $5,000 in excess thereof (such amounts being *“Authorized Denominations”*). The Bonds shall be numbered with the letter prefix “R-” and from one (l) consecutively upwards in order of issuance.

 *Section 2.6. Paying Agent and Bond Registrar* . U.S. Bank National Association is hereby appointed as initial Paying Agent and Bond Registrar for the Bonds. The State Treasurer may remove any Paying Agent and any Bond Registrar and appoint a successor or successors thereto (which successor may be the State Treasurer). Unless the successor is the State Treasurer, each successor Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the State Treasurer a written acceptance thereof. The State Treasurer shall submit to the Paying Agent or Bond Registrar, as the case may be, a notice of such removal at least 30 days prior to the effective date of such removal, and shall specify the date on which such removal shall take effect. Such removal shall take effect on the date specified in the notice, if the State Treasurer will be successor Paying Agent and Bond Registrar or on the date that each successor Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the State Treasurer a written acceptance thereof. The State Treasurer is hereby authorized and directed to enter into an agreement or agreements with each Paying Agent (a *“Paying Agent Agreement”*), which may establish certain duties and obligations of the Paying Agent and State Treasurer.

The principal of and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of the Bonds shall be payable when due to the respective Holder of each Bond upon presentation and surrender thereof at the designated office of the Paying Agent. Payment of interest on each Bond shall be made to the Person which, as of the Record Date, is the Holder of the Bond and shall be made by check or draft mailed to the Person which, as of the Record Date, is the Holder of the Bond, at the address of such Holder as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Holder on or prior to the Record Date.

 *Section 2.7. Redemption Provisions for the Bonds* . (a) The Bonds are subject to mandatory sinking fund redemption prior to their stated maturity in part, by lot, on July 1 in each year commencing on July 1, 2018, at a price equal to 100% of the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium, by operation of mandatory sinking fund payments, sufficient to redeem and pay the principal amount of the Bonds as follows:

|  |  |
| --- | --- |
| July 1 of the Year | Principal Amount |
| 2018 | $            |
| 2019 |  |
| 2020 |  |
| 2021 |  |
| 2022 |  |
| 2023 |  |
| 2024 |  |
| 2025 |  |
| 2026 |  |
| 2027 |  |
| 2028\* |  |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\* Stated maturity.

If fewer than all of the Bonds are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the principal amount so redeemed shall be credited at 100% of the principal amount thereof by the Paying Agent against the respective obligation of the State on the next mandatory sinking fund redemption date and any excess shall be credited against future mandatory sinking fund redemption obligations at the option and direction of the State.

 (b) The Bonds are subject to optional redemption on any business day at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date fixed for redemption plus the Breakage Fee (as defined in and calculated in accordance with the provisions of *Exhibit D*), if any.

 (c) If fewer than all Bonds of any maturity are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed shall be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered Bond of a denomination of more than $100,000 to be redeemed will be in the principal amount of $5,000 or a whole multiple thereof, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds having a principal amount of $100,000 and integral multiples of $5,000 in excess thereof that is obtained by dividing the principal amount of such Bond by $5,000.

 *Section 2.8. Notice of Redemption of the Bonds.* (a) In the event any Bonds are to be redeemed, the Issuer shall cause notice of such redemption to be given as provided in this Section 2.8. Notice of redemption shall be given by the Bond Registrar by first class mail, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to each registered owner of the Bonds to be redeemed, at the address shown on the registration books of the Issuer maintained by the Bond Registrar on the Record Date specified in the notice of redemption, which Record Date shall be not less than fifteen (15) calendar days before the mailing of such notice, or at such other address as is furnished to the Bond Registrar in writing by such registered owner on or prior to such Record Date. Each notice of redemption shall state: (i) the identification numbers, as established hereunder and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds; (ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such Bonds; (iii) the Record Date; (iv) the redemption date; (v) the redemption price; (vi) the place of redemption; (vii) the total principal amount of Bonds to be redeemed; (viii) if less than all of the Bonds, the distinctive numbers of the Bonds or portions of Bonds to be redeemed and, if less than all of any Bond, the principal amount of each Bond that is to be redeemed; and (ix) that the interest on the Bonds or portion of Bonds 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 Bonds or portions of Bonds the redemption price thereof and interest accrued thereon to the redemption date. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. Failure to give such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond. In addition to the foregoing notice, further notice of redemption shall be given by the Bond Registrar, at least two (2) business days in advance of the mailed notice to registered owners of Bonds to be redeemed, by posting such notice on the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board. Such further notice shall contain the information required in the immediately preceding paragraph. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

 (b) If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, including any Breakage Fee, such notice may state that such redemption is subject to the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the redemption date and that such notice shall be of no effect unless such moneys are so deposited. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

 (c) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to registered owners of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure to receive any such notice by any of such registered owners shall not affect the validity of the proceedings for the redemption of the Bonds.

 *Section 2.9. Sale of Bonds*  . The Bonds shall be sold to the Purchaser at a purchase price of $\_\_\_\_\_\_\_\_\_\_ (being the aggregate principal amount thereof) pursuant to the Bond Purchase Agreement (as presented to the Commission at the meeting where this Resolution was approved and attached hereto as *Exhibit C*). To evidence the acceptance of the Bond Purchase Agreement, the State Treasurer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement on behalf of the Issuer. The sale of the Bonds to the Purchaser is hereby authorized and, under authority of the Acts, the Bonds shall be issued by the Issuer for the purposes set forth in Section 2.2 hereof. The Bonds shall be delivered to the Purchaser and the proceeds of sale thereof applied as provided in Section 2.12 hereof.

 *Section 2.10. Execution of Bonds* . The Bonds shall be executed on behalf of the Issuer by the State Treasurer and countersigned and attested by the Lieutenant Governor (the signatures of the State Treasurer and the Lieutenant Governor being either manual or by facsimile) and the Great Seal of the State of Utah or a facsimile thereof shall be impressed or printed thereon. The use of such facsimile signatures of the State Treasurer and the Lieutenant Governor and the facsimile of the Great Seal of the State of Utah on the Bonds is hereby authorized, approved and adopted by the Issuer as the authorized and authentic execution, attestation and sealing of the Bonds by said officials for and on behalf of the Issuer. The Bonds shall then be delivered to the Bond Registrar for manual certification of authentication (or registration, if applicable) by it. Only such of the Bonds as shall bear thereon a certificate of authentication (or registration, if applicable), manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of the Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so certified have been duly registered and delivered under, and are entitled to the benefits of, the Bond Resolution and that the Holder thereof is entitled to the benefits of the Bond Resolution. The certificate of authentication (or registration, if applicable) of the Bond Registrar on any Bond shall be deemed to have been executed by it if (a) such Bond is signed by an authorized officer or representative of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication (or registration, if applicable) on all of the Bonds issued hereunder or that all of the Bonds hereunder be certified as authenticated (or registered, if applicable) by the same Bond Registrar, and (b) the date of registration of the Bond is inserted in the place provided therefor on the certificate of authentication (or registration, if applicable). In the event that the Bond Registrar for the Bonds shall be the State Treasurer, pursuant to Section 2.6 hereof, the certificate of authentication of the Bond Registrar on each such Bond shall be replaced by a certificate of registration substantially in the form provided in Section 6.1 hereof, which shall be deemed and shall function as a certificate of authentication and registration under the provisions of the Bond Resolution.

The State Treasurer and Lieutenant Governor of the Issuer are authorized to execute, countersign, attest and seal from time to time, in the manner described above, Bonds (the *“Exchange Bonds”*) to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article III hereof. At the time of the execution, countersigning, attestation and sealing of the Exchange Bonds by the Issuer, the payee, principal amount, maturity and interest rate shall be in blank. Upon any transfer or exchange of Bonds pursuant to Article III hereof, the Bond Registrar shall cause to be inserted in appropriate Exchange Bonds the appropriate payee, principal amount, maturity and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds, and to complete, certify as to registration and authenticate (if applicable) and deliver the Exchange Bonds, for the purpose of effecting transfers and exchanges of Bonds; provided that any Exchange Bonds registered, authenticated (if applicable) and delivered by the Bond Registrar shall bear the same series, maturity and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer, and shall bear the name of such payee as the Bondholder requesting an exchange or transfer shall designate; and provided further that upon the delivery of any Exchange Bonds by the Bond Registrar a like principal amount of Bonds submitted for transfer or exchange, and of like series and having like maturities and interest rates, shall be cancelled. The execution, countersigning, attestation and sealing by the Issuer and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bond containing such payee, principal amount, maturity and interest rate as the Bond Registrar shall cause to be inserted, and the Bond Registrar shall thereby be authorized to certify as to registration and authenticate (if applicable) and deliver such Exchange Bond in accordance with the provisions hereof.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

 *Section 2.11. Creation and Administration of Bond Proceeds Account* . (a) As authorized by the Acts, a “Bond Proceeds Account” is hereby created for the purposes described in Section 2.2(b) hereof, which account shall be administered and maintained by the Paying Agent.

 (b) The portion of the proceeds of the Bonds deposited into the Bond Proceeds Account and income and earnings thereon shall be applied for the purposes provided in Section 2.2(b) hereof and to pay costs relating to the issuance and sale of the Bonds and the refunding of the Refunded Bonds. The Paying Agent shall disburse moneys on deposit in the Bond Proceeds Account upon the order of the State as provided in a closing memorandum or other disbursement order signed by the State Treasurer. Upon the earlier of (i) notification from the State Treasurer that all costs of issuance incurred in connection with the issuance of the Bonds have been paid or (ii) March 1, 2018, the Paying Agent shall transfer all the funds remaining in the Bond Proceeds Account to the State for deposit in the Series 2017 Refunding Sinking Fund, to be used to pay interest next falling due on the Bonds.

 *Section 2.12. Delivery of Bonds; Application of Proceeds* . The Bonds shall be delivered to the Purchaser at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement. The State Treasurer is hereby authorized and instructed to make delivery of the Bonds to the Purchaser and to receive payment therefor in accordance with the terms of the Bond Purchase Agreement and to deposit the proceeds of sale in the amount of $\_\_\_\_\_\_\_\_\_\_ into the Bond Proceeds Account and in the amount of $\_\_\_\_\_\_\_\_\_\_ [(together with other legally available funds of the State)] into the Escrow Account.

 *Section 2.13. Investment of Proceeds of Bonds* . Pursuant to the applicable provisions of the Acts, the State Treasurer may invest the moneys in the Bond Proceeds Account in investments authorized or permitted by the State Money Management Act, Title 51, Chapter 7 of the Utah Code (particularly Sections 51-7-17 and 51-7-11 thereof), or any applicable successor provision of law.

 *Section 2.14. Further Authority* . (a) The Governor, Lieutenant Governor, Attorney General (or his Deputy), State Treasurer (or his Deputy), State Auditor, Director of the Division of Finance, Administrative Secretary of the Tax Commission, Members of the Commission and such other officials of the State as may be required, are hereby authorized and directed to perform all acts and to execute all such documents, certificates and other instruments (including, without limitation, those contemplated by the Bond Purchase Agreement) as may be necessary or desirable in connection with the issuance of the Bonds, the consummation by the State of the transactions contemplated by this Resolution and the Bond Purchase Agreement and the performance by the State of its obligations under the Bond Resolution, the Bond Purchase Agreement and the Bonds. The acts of said officials in so doing are and shall be the acts and deeds of the State and all of the covenants, statements, representations and agreements pertaining to or on behalf of the Issuer contained herein, in the Bonds and in such certificates and documents are hereby approved and adopted, and it is hereby ordered and declared that said covenants, statements, representations and agreements herein and therein contained are the covenants, statements, representations and agreements of the Issuer.

 (b) The Vice Chair of the Commission is hereby authorized to execute this Resolution and any of the documents listed in (a) above on behalf of the Commission notwithstanding the Chair of the Commission’s participation in the meeting at which this Resolution was adopted or the availability of the Chair at the time the documents listed in (a) above are executed.

 *Section 2.15. Provision for Refunding the Refunded Bonds* . It is hereby found and determined that, pursuant to this Resolution, moneys and governmental obligations permitted under the Refunding Bond Act, the principal of and the interest on which, when due, will provide moneys that will be sufficient to pay, when due, pursuant to call for redemption, the redemption price of and interest due and to become due on, the Refunded Bonds, will be deposited with the Escrow Agent for the Refunded Bonds and provision will thereby be made for the refunding of the Refunded Bonds.

 *Section 2.16. Authorization of Escrow Agreement* . The Escrow Agreement, in substantially the form set forth as *Exhibit C* hereto, with such insertions, changes and additions as shall be made with the approval of the State Treasurer, his execution thereof to constitute conclusive evidence of such approval, is hereby in all respects authorized and approved. The State Treasurer, on behalf of the Issuer, shall enter into the Escrow Agreement with the Escrow Agent establishing an Escrow Account from which the redemption price of the Refunded Bonds shall be paid on the redemption date. After all such Refunded Bonds shall have become due and payable pursuant to call for redemption, any investments remaining in the Escrow Account shall be liquidated, and any proceeds of liquidation over and above the amount necessary to be retained for the payment of any Refunded Bonds not yet presented for payment, including interest due and payable, shall be paid in accordance with the Escrow Agreement. The State Treasurer is hereby authorized and directed to execute and deliver the Escrow Agreement.

 *Section 2.17. Authorization of Redemption Prior to Maturity of Refunded Bonds* . The State Treasurer is hereby authorized to call or caused to be called for redemption any or all of the Refunded Bonds on July 1, 2022, at the redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date fixed for redemption. Notice of each such redemption shall be given as provided in the resolution authorizing the Refunded Bonds and may be conditioned on the receipt of the proceeds of the Bonds in an amount sufficient to pay the redemption price of the Refunded Bonds.

 *Section 2.18. Taxability* . (a) In the event a Taxable Date occurs, in addition to (but not in duplication of) the amounts required to be paid pursuant to the Bonds, the State hereby agrees to pay to the Bondholders, on demand therefor (i) an amount equal to the difference between (A) the amount of interest paid to such Bondholder on the Bonds during the period in which interest on the Bonds is includable in the gross income of such Bondholder beginning on the Taxable Date (the *“Taxable Period”*) and (B) the amount of interest that would have been paid to such Bondholder during such Taxable Period had the Bonds borne the Taxable Rate, and (ii) an amount equal to any interest, penalties or charges owed by the such Bondholder as a result of interest on the Bonds becoming includable in the gross income of such Bondholder, together with any and all attorneys’ fees, court costs, or other out of pocket costs incurred by such other Bondholder in connection therewith.

 (b) Subject to the provisions of subsections (c) and (d) below, the Bondholders shall afford the State the opportunity, at the State’s sole cost and expense, to contest any challenge to the validity of the tax exemption with respect to the interest on the Bonds, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

 (c) As a condition precedent to the exercise by the State of its right to contest as set forth in subsection (b) above, the State shall, on demand, immediately reimburse the Bondholders for (i) any and all expenses (including attorneys’ fees for services that may be required or desirable, as determined by the Bondholders in their sole discretion) that may be incurred by the Bondholders in connection with any such contest, and (ii) any and all penalties or other charges payable by the Bondholders for failure to include such interest in its gross income.

 (d) The obligations of the State under this Section 2.19 shall survive the termination of this Resolution and the payment in full of the Bonds.

Article III

Transfer and Exchange of Bonds; Bond Registrar

 *Section 3.1. Transfer of Bonds* . (a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 3.3 hereof, by the person in whose name it is registered, in person or by such Holder’s duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon and for all other purposes whatsoever.

 (b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall certify as to registration and authenticate (if applicable) and deliver a new fully registered Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.10 hereof) of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made with respect to any interest payment date after the Record Date to and including such interest payment date.

 *Section 3.2. Exchange of Bonds* . Bonds may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of fully registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.10 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made with respect to any interest payment date after the Record Date to and including such interest payment date.

 *Section 3.3. Bond Registration Books* . This Bond Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code. The Bond Registrar shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

 *Section 3.4. List of Bondholders* . The Bond Registrar shall maintain a list of the names and addresses of the Holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

 *Section 3.5. Duties of Bond Registrar* . If the Bond Registrar for the Bonds is any Person other than the State Treasurer, pursuant to Section 2.6 hereof, and if requested by such Bond Registrar, the State Treasurer is authorized to execute the Bond Registrar’s standard form of agreement between the Issuer and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder, which may include the following:

 (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

 (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;

 (c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

 (d) to furnish the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed;

 (e) to furnish the Issuer at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds; and

 (f) to comply with all applicable provisions of DTC’s operational arrangements, as provided in Section 4.2 hereof.

Article IV

Book-Entry System; Limited Obligation of Issuer;
Letter of Representations

 *Section 4.1. Book-Entry System; Limited Obligation of Issuer* . (a) The Bonds shall be initially issued in the form of a separate, single, certificated, fully registered Bond for each stated maturity set forth in Section 2.4 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. Except as provided in Section 4.3 hereof, all of the outstanding Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC.

 (b) With respect to Bonds registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, or (iii) the payment to any Participant or any other Person, other than a Bondholder, as shown in the registration books kept by the Bond Registrar, of any amount with respect to the principal of or interest on the Bonds. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Paying Agent shall pay all principal of and interest on the Bonds only to the respective Bondholders, as shown in the registration books kept by the Bond Registrar and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No Person other than a Bondholder, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal and interest pursuant to the Bond Resolution.

 (c) Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to Record Dates, the word “Cede” in the Bond Resolution shall refer to such new nominee of DTC; and upon receipt of such a notice the Issuer shall promptly deliver a copy of the same to the Bond Registrar and the Paying Agent.

 *Section 4.2. Letter of Representations* . In the written acceptance of each Paying Agent and Bond Registrar referred to in Section 2.6 hereof, such Paying Agent and Bond Registrar, respectively, shall agree to take all actions necessary for all representations of the Issuer in the Letter of Representations with respect to the Paying Agent and Bond Registrar, respectively, to at all times be complied with. So long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

 *Section 4.3. Transfers Outside Book-Entry System* . In the event that (a) the Issuer determines that DTC is incapable of discharging or is unwilling to discharge its responsibilities described herein and in the Letter of Representations, (b) DTC determines to discontinue providing its service as securities depository with respect to the Bonds at any time as provided in the Letter of Representations, or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify DTC and direct DTC to notify the Participants of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system as may be acceptable to the Issuer, or such depository’s agent or designee, and if the Issuer does not select such alternate universal book-entry system, then the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of Article III hereof.

 *Section 4.4. Payments to Cede* . Notwithstanding any other provision of the Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

Article V

Covenants and Undertakings

 *Section 5.1. Covenants of Issuer* . All covenants, statements, representations and agreements contained in the Bonds and all recitals and representations in the Bond Resolution are hereby considered and understood to be and it is hereby resolved that all such covenants, statements, representations and agreements of the Commission are, the covenants, statements, representations and agreements of the Issuer.

 *Section 5.2. Levy of Taxes; 2017 Refunding Sinking Fund* . (a) Pursuant to the Acts, each year after the issuance of the Bonds and until all of the Bonds shall have been retired, a direct annual tax upon all real and personal property within the State subject to State taxation shall be levied in such amount as shall be sufficient to pay (i) the interest on the Bonds as it becomes due, and (ii) the principal of the Bonds as it becomes due. The rate of such direct annual tax shall be fixed each year by the Tax Commission as the rate fixed for State taxes and the taxes shall be collected and the revenue applied as provided in the Acts. The direct annual tax imposed hereunder is abated to the extent money is available from sources, other than ad valorem taxes in the 2017 Refunding Sinking Fund, for payment of the interest on and the principal of the Bonds.

 (b) There is hereby created and established with the State Treasurer a 2017 Refunding Sinking Fund. All monies deposited in the 2017 Sinking Fund for payment of the Bonds shall be used to pay principal of and interest on the Bonds. The proceeds of all taxes levied hereunder pursuant to the Acts are appropriated to the 2017 Refunding Sinking Fund. Warrants covering the amounts of the principal and interest falling due on the Bonds shall be drawn by the Division of Finance of the State on the State treasury, as provided in Acts, before the dates on which payments of principal of and interest on the Bonds fall due. The warrants shall be promptly paid by the State Treasurer from the 2017 Refunding Sinking Fund and the amount so paid shall be immediately transmitted as provided in the Letter of Representations or, if the Paying Agent is a Person other than the State Treasurer, shall be immediately transmitted to the Paying Agent.

 (c) Pursuant to the applicable provisions of the Acts, the State Treasurer is hereby authorized and directed to invest any money in the 2017 Sinking Fund in accordance with the State Money Management Act, Title 51, Chapter 7 of the Utah Code (particularly Sections 51-7-17 and 51-7-11 thereof) or any applicable successor provision of law, until such time as it is needed for the purposes for which the 2017 Refunding Sinking Fund is created under the Act. All income from the investment of the money in the 2017 Refunding Sinking Fund shall be deposited in the 2017 Refunding Sinking Fund and used for the payment of principal of and interest on the Bonds.

 *Section 5.3. Bonds in Registered Form* . The Issuer recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest on the Bonds is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

 *Section 5.4. Arbitrage Covenant; Covenant to Maintain Tax Exemption; Other Covenants* . (a) The Lieutenant Governor, the State Treasurer and other appropriate officials of the Issuer are hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations, (ii) the 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 5.4 will be complied with, and (v) interest on the Bonds is not and will not become includible in gross income for federal income tax purposes under the Code and applicable Regulations.

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

 (i) it will at all times comply with the provisions of any Tax Certificate;

 (ii) it will at all times comply with the rebate requirements contained in Section 148(f) of the Code, including, without limitation, the entering into of 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, as authorized by the applicable provisions of the Acts, of all amounts, including any applicable penalties and interest, required to be rebated;

 (iii) no use will be made of the proceeds of the issue and sale of the Bonds, or any funds or accounts of the Issuer which may be deemed to be proceeds of the 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 Bonds, would have caused the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

 (iv) it will not use or permit the use of any of its facilities or properties in such manner that such use would cause the Bonds to be “private activity bonds” described in Section 141 of the Code;

 (v) [no bonds or other evidences of indebtedness of the Issuer that are reasonably expected to be paid out of substantially the same source of funds as the Bonds have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Bonds and ending 15 days following the delivery of the Bonds, other than the Bonds]; and

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

Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.

 *Section 5.5. Reporting Requirements* . The State shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of such Person on a consolidated or combined basis in accordance with GAAP.  The State shall furnish to the Purchaser two copies of each of the following:

(a) *Annual Financial Statements*.  As soon as available, and in any event within 180 days after the close of each fiscal year of the State, the financial statements of the State which shall be audited and reported on without qualification by the State Auditor of the State and shall be certified to the State by the State Auditor as (i) having been prepared in accordance with GAAP (applied on a basis consistent with that of the preceding fiscal year) and (ii) fairly presenting the financial condition of the State as of the end of such fiscal year and reflecting its operations during such fiscal year and (iii) showing all material liabilities, direct or contingent, and disclosing the existence of any off-balance sheet liability, and shall include, without limitation, balance sheets, profit and loss statements and statements of cash flows, together with notes and supporting schedules, all on a consolidated and consolidating basis and in reasonable detail and including a copy of any management letter or audit report provided to the State by the State Auditor.

(b) *Certificate of Compliance*.  Simultaneously with the delivery of each set of financial statements referred to in subsections (a) of this Section, a certificate signed by the State Treasurer of the State, (i) stating that such officer has made a review of activities during the preceding period for the purpose of determining whether the State has complied with all of the terms, provisions and conditions of this Resolution and the Bonds and (ii) attesting that, to the best of his/her knowledge, the State has kept, observed, performed and fulfilled each and every such covenant, provision and condition on its part to be performed and no Event of Default has occurred, or if an Event of Default has occurred such certificate shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition.

(c) *Event Notices*. Immediately following any dissemination, distribution or provision thereof to any Person, a copy of any event notice disseminated, distributed or provided in satisfaction of or as may be required by the provisions of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240 15c2-12), or any successor or similar legal requirement.

 (d) *Continuing Disclosure Report*. As soon as available after the close of each fiscal year, the State’s Continuing Disclosure Memorandum or other similar document that is filed in compliance with the State’s continuing disclosure undertakings for its other outstanding general obligation bonds.

(e) *Other Information*.  Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the State as the Purchaser may from time to time reasonably request, including without limitation, reports of any governmental audits and inspections.

(f) *Notice of Default*.  The State shall provide to the Purchaser immediate notice by telephone, promptly confirmed in writing, of any Default or Event of Default.

*Section 5.6. Right of Entry; Communication with State Auditor* *.* The State shall permit the duly authorized agents or representatives of the Purchaser during normal business hours and upon reasonable notice to visit and inspect any of the premises of the State, or any parts thereof, and to examine its financial and corporate books, records and accounts and to make copies thereof and extracts therefrom, and to discuss the State’s affairs, finances, business and accounts with its officers, employees and agents.  The State authorizes the Purchaser to communicate directly with the State Auditor and authorizes and shall instruct the State Auditor to communicate with, disclose and make available to, the Purchaser, any and all financial statements and other supporting financial documents, schedules and information relating to the business, results of operations and financial condition and other affairs of the State.

*Section 5.7. Amendments* *.* The State shall not amend, modify or supplement, nor agree to any amendment or modification of, deviation from, or supplement to this Resolution without the prior written consent of the Purchaser, or, if the Purchaser no longer owns any of the Bonds, without the prior written consent of the Holders of a majority of the outstanding principal amount of the Bonds.

*Section 5.8. Ratings* *.* The State agrees to cause the Bonds to be assigned a long-term rating by Moody’s Investors Service; Standard & Poor’s Global Ratings, a division of Standard and Poor’s Financial Services, LLC or Fitch, Inc. no later than June 15, 2018.

Article VI

Form of Bonds

 *Section 6.1. Form of Bonds* . Each fully registered Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption provisions and such other insertions or omissions, endorsements and variations as may be required:

Registered Registered

[Form of Bond]

United States of America

State of Utah

General Obligation Refunding Bond

Series 2017

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

|  |  |  |  |
| --- | --- | --- | --- |
| Interest Rate | Maturity Date | Dated Date | CUSIP |
| \_\_\_\_\_% | July 1, 20\_\_ | \_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |

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

Principal Amount: Dollars

Know All Men By These Presents that the State of Utah (the *“Issuer”*), acknowledges itself indebted and for value received hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the *“Principal Amount”*), and to pay the registered owner hereof interest on the balance of said Principal Amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and (if applicable) authentication of this Bond, unless this Bond is registered and (if applicable) authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and (if applicable) authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date identified above (the *“Dated Date”*), or unless, as shown by the records of the hereinafter referred to Bond Registrar, interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the interest rate per annum (calculated on the basis of a year of 360 days and twelve 30-day months) identified above (the *“Interest Rate”*), payable semiannually on January 1 and July 1 in each year, commencing on July 1, 2018, until payment of the Principal Amount is made in full. This Bond shall bear interest on overdue principal at the Interest Rate. Principal of this Bond shall be payable at the designated office of U.S. Bank National Association, as 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 semiannual interest hereon shall be 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 fifteenth day of the month next preceding each interest payment date at the address of such registered owner as it appears on the registration books kept by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar as provided in the hereinafter defined Bond Resolution.

This Bond is one of the General Obligation Refunding Bonds, Series 2017, of the Issuer (the *“Bonds”*) limited to the aggregate principal amount of $\_\_\_\_\_\_\_\_\_\_, dated the Dated Date, issued under and by virtue of certain portions of Title 63B of the Utah Code Annotated, 1953, as amended (the *“Utah Code”*), and Title 11, Chapter 27 of the Utah Code (collectively, the *“Acts”*) and under and pursuant to resolutions adopted on November 21, 2017 and December 12, 2017 (collectively, the *“Bond Resolution”*), of the State Bonding Commission (the *“Commission”*) created pursuant to Section 63B-1-201 of the Utah Code Annotated 1953, as amended, for the purpose of (a) refunding in advance of their maturity certain outstanding general obligation bonds of the Issuer and (b) paying all or part of any costs incident to the issuance and sale of the Bonds and the refunding of the refunded bonds, all in accordance with and subject to the provisions of the Acts.

U.S. Bank National Association is the initial bond registrar and paying agent with respect to the Bonds. Said bond registrar and paying agent, together with any successor bond registrar or paying agent, respectively, is referred to herein as the “Bond Registrar” and the “Paying Agent.”

For the prompt payment of this Bond, both principal and interest, as the same become due, and for the levy, imposition, collection and proper application of taxes sufficient therefor, the full faith, credit and resources of the Issuer are hereby irrevocably pledged.

This Bond is transferable, as provided in the Bond Resolution, only upon the books of the Issuer kept for that purpose at the principal office of the Bond Registrar, by the registered owner hereof in person or by such owner’s attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever, and neither the Issuer, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

The Issuer is not required to transfer or exchange any Bond after the Record Date with respect to any interest payment date to and including such interest payment date.

The Bonds are issuable solely in the form of fully registered Bonds in the denomination of $100,000 or any whole multiple of $5,000 in excess thereof.

The Bonds are subject to redemption prior to maturity at the times and prices and in the amounts and upon notice, all as provided in the Bond Resolution.

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.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and in full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Acts and all other laws applicable thereto. It is hereby found, certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State of Utah and by the Acts and the Bond Resolution to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed and that the issue of 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] [Registration] hereon shall have been manually signed by the Bond Registrar.

[In Witness Whereof, the State of Utah, has caused this Bond to be signed in its name and on its behalf by its State Treasurer, and to be countersigned and attested by its Lieutenant Governor, and has caused its Great Seal to be impressed hereon, all as of the Dated Date.]

[In Witness Whereof, the State of Utah, has caused this Bond to be signed in its name and on its behalf by its State Treasurer, and to be countersigned and attested by its Lieutenant Governor (the signatures of said State Treasurer and Lieutenant Governor being by facsimile), and has caused the facsimile of its Great Seal to be printed hereon, and said officials by the execution hereof do adopt as and for their own proper signatures their facsimile signatures appearing on each of the Bonds, all as of the Dated Date.]

 Utah State Treasurer

Countersign and Attest:

 Lieutenant Governor of Utah

[The Great Seal of the State of Utah]

[Form of Bond Registrar’s Certificate of Authentication
(For use if the Bond Registrar is any person other than the State Treasurer)]

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2017, of the State of Utah.

U.S. Bank National Association,
 as Bond Registrar

By
 Authorized Officer

Date of Registration and
authentication: \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2017

Bond Registrar and Paying Agent:

[Form of Bond Registrar’s Certificate of Registration
(For use if the Bond Registrar is the State Treasurer)]

This Bond has been registered as to principal and interest in the name of the Registered Owner identified above on the registration books of the Utah State Treasurer.

 By Utah State Treasurer,
 as Bond Registrar

Date of Registration: \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2017

 Bond Registrar and Paying Agent:
Utah State Treasurer

Abbreviations

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

TEN COM – as tenants in common

TEN ENT – as tenants by the entirety

JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT

 (Custodian)

Custodian for

 (Minor)

under Uniform Gifts to Minors Act of

 (State or Other Jurisdiction)

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

[Form of 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 of the State of Utah and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ attorney to register the transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature:

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

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).

Article VII

Events of Default

 *Section 7.1. Events of Default* *.* Each of the following events is hereby declared an Event of Default:

 (a) The State shall fail to pay, or cause to be paid, when due any payment of the principal of, interest on the Bonds or any other general obligation debt of the State.

 (b) The State shall fail to perform or observe any covenant set forth herein which failure continues for thirty days or more following the State becoming aware of such failure.

 (c) Any representation or warranty made or deemed made by or on behalf of the State in this Resolution, in the Bond Purchase Agreement or in any certificate, financial statement or other statement furnished by or on behalf of the State pursuant to this Resolution or the Bond Purchase Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect when made or deemed to have been made.

 (d) (i) The State shall in writing claim, or repudiate its obligations under, or initiate any legal proceedings to seek an adjudication that, any of the provisions that provide for the payment of principal of or interest on the Bonds is not binding upon the State; or

 (ii) any court of competent jurisdiction or other governmental authority with jurisdiction to rule on the validity of this Resolution or the Bonds shall find or rule that any material provision of this Resolution or the Bond is not valid and binding on the State.

 (e) An Event of Insolvency shall have occurred with respect to the State.

 *Section 7.2. Remedies; Cure* . Notwithstanding any interest rate limitations contained in the Parameters Resolution, upon the occurrence and during the continuance of any Event of Default, the Bonds shall bear interest at the Default Rate. In addition, upon the occurrence of any Event of Default, the Purchaser may pursue any remedy available under applicable law or in equity. Upon receipt of a certificate from the State Treasurer to the Bondholders certifying that an Event of Default is no longer continuing under the provisions hereof and the date on which such Event of Default was cured, the Bonds shall, as of the date on which the Event of Default was cured, no longer bear interest at the Default Rate, but shall bear interest at the rate per annum specified in Section 2.4 hereof.

Article VIII

Miscellaneous

 *Section 8.1. Ratification* . All proceedings, resolutions and actions of the Commission, the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

 *Section 8.2. Severability* . It is hereby declared that all parts of this Resolution are severable, and if any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Resolution. It is hereby declared that it is the intention of the Commission by the adoption of this Resolution to comply in all respects with the provisions of the Acts and the laws and Constitution of the State.

 *Section 8.3. Conflict* . All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of the Bond Resolution are, to the extent of such conflict, hereby repealed. This repealer shall not be construed as revising any resolution, order, regulation or part thereof.

 *Section 8.4. Captions* . The table of contents and captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

 *Section 8.5. Certification of Fulfillment of Conditions* . The Commission hereby finds and certifies that all conditions precedent to the issuance of the Bonds have been satisfied and fulfilled.

 *Section 8.6. Maintenance of Records; Copies* . A copy of this Resolution and every amendatory or supplemental resolution or other official action relating to the Bonds shall be kept on file with the State Treasurer, as Secretary of the Commission, in his or her office at the State Capitol where the same shall be made available for inspection by any Holder or beneficial owner of the Bonds, or such owners, its or their agents for so long as any of the Bonds remain outstanding and unpaid. Upon payment of the reasonable cost for preparing the same, a certified copy of this Resolution, or any amendatory or supplemental resolution, will be furnished to any Holder or beneficial owner of the Bonds.

 *Section 8.7. Effective Date* . This Resolution shall take effect immediately.

Adopted and Approved by the State Bonding Commission of the State of Utah, this 12th day of December, 2017.

 Spencer J. Cox
 Chair of the State Bonding
 Commission

Attest:

 David C. Damschen

 Secretary of the State Bonding Commission

(Here follows other business not pertinent to the above.)

Pursuant to motion duly made and seconded, the meeting of the Commission adjourned.

 Spencer J. Cox
 Chair of the State Bonding
 Commission

Attest:

 David C. Damschen

 Secretary of the State Bonding Commission

State of Utah )

 ) ss.

County of Salt Lake )

I, David C. Damschen, State Treasurer and Secretary of the State Bonding Commission of the State of Utah, hereby certify that the foregoing is a true and correct copy of an excerpt of the minutes of the meeting of the State Bonding Commission held on December 12, 2017, including 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 December 12, 2017.

In Witness Whereof I have hereunto attached my signature at Salt Lake City, Utah, this 12th day of December, 2017.

 David C. Damschen
 State Treasurer and
 Secretary of the State Bonding Commission

Appendix A

Notice of Date, Time, Place and Agenda of a meeting of
the State Bonding Commission

Public Notice Is Hereby Given that the State Bonding Commission, a public body created under Section 63B-1-201, Utah Code Annotated 1953, as amended, will hold a public meeting in the Office of the Governor, Rampton Board Room, Suite C-200 in the Capitol Building, Salt Lake City, Utah, on Tuesday, December 12, 2017, commencing at the hour of 4:00 p.m.

One or more Members of the Commission may participate via telephonic conference originated by a Commissioner at the anchor location, and the meeting shall be an electronic meeting, and the anchor location shall be the Rampton Board Room set forth above, within the meanings accorded by Utah law.

The Agenda for the meeting includes the following:

 1. Approval of minutes of November 21, 2017 meeting.

 2. Consideration of adoption of a Resolution authorizing the issuance and confirming the sale of not more than $121,000,000 General Obligation Refunding Bonds, Series 2017, of the State of Utah; authorizing the execution and delivery of certain documents relating to such bonds and providing for related matters.

 3. Consideration of other matters related to the issuance and sale of general obligation bonds of the State of Utah.

Dated: December \_\_, 2017.

State Bonding Commission

By /s/ David C. Damschen
 David C. Damschen, State Treasurer
 and Secretary of the Utah State
 Bonding Commission

Exhibit A

Attach Letter of Representations
Delivered Herewith as Document No. \_\_\_

Exhibit B

Attach Form of Bond Purchase Agreement
Delivered Herewith as Document No. \_\_\_

Exhibit C

Attach Form of Escrow Agreement
Delivered Herewith as Document No. \_\_\_

Exhibit D

Breakage Fee Calculation

Upon the occurrence of a Break Event, the Breakage Fee shall be calculated and paid as follows:

*“Break Date”* means any date that an optional redemption is made.

*“Break Event”* means any redemption or prepayment of the Bonds other than pursuant to the scheduled sinking fund redemption pursuant to Section 2.7(a) of the Resolution.

*“Calculation Agent”* will be Wells Fargo Bank, National Association. If for any reason Wells Fargo Bank, National Association is unable or unwilling to calculate the Breakage Fee, the Calculation Agent shall be an independent financial advisor or investment banker appointed by the State with the consent of the Purchaser.

*“Day Count Fraction”* means the anticipated basis on which interest is to be computed on the Bonds. The Day Count Fraction utilizes a 360‑day year and consisting of twelve 30‑day months.

*“Maturity Date”* means July 1, 2028.

*“Reference Rate”* means \_\_\_% per annum.

*“Scheduled Due Date”* means each date specified on the Amortization Schedule attached as Schedule I to this *Exhibit D*.

*“Schedule of Principal Amounts”* means the anticipated principal amount of the Bonds scheduled to be outstanding on the date the Bonds are issued and on each Scheduled Due Date. The Schedule of Principal Amounts for the Scheduled Due Dates are specified on the Amortization Schedule attached as Schedule I to this *Exhibit D*.

 1. In connection with any Break Event, a Breakage Fee shall be paid by the State, if the Breakage Fee is a positive number. No Breakage Fee shall be payable for a Break Event if the Breakage Fee for that Break Event is a negative number. Breakage Fees will be determined by the Calculation Agent, on the Business Day next preceding any Break Date and will be calculated for the Bonds as follows:

“*Breakage Fee*”for any Break Event is the difference of:

 (i) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Reference Rate, times (C) the Day Count Fraction for such Affected Principal Period,

minus

 (ii) the sum of the present values of a series of amounts computed for each Scheduled Due Date after the Break Date through the Maturity Date for the Bond, each of which amounts is equal to the product of (A) the Affected Principal Amount for the Affected Principal Period ending on the Scheduled Due Date, times (B) the Break Rate, times (C) the Day Count Fraction for such Affected Principal Period,

where:

 (1) the Calculation Agent computes such present values by discounting each such series of amounts described in clause (i) and (ii) above from the Scheduled Due Date to the Break Date using a series of discount factors corresponding to the Scheduled Due Date as determined by the Calculation Agent from the swap yield curve that the Calculation Agent would use as of the Break Date in valuing a series of fixed rate interest rate swap payments similar to such series of amounts;

 (2) the *“Affected Principal Amount”* for an Affected Principal Period is the principal amount of the Bonds reflected in the Schedule of Principal Amounts scheduled to be outstanding during that Affected Principal Period determined as of the relevant Break Date by the reference to such Schedule of Principal Amounts before giving effect to any Break Event on that Break Date, and for any Break Event, multiplying each such principal amount times the Prepayment Fraction;

 (3) “*Affected Principal Period”* is each period from and including a Scheduled Due Date to but not excluding the next succeeding Scheduled Due Date; *provided, however,* if the Break Date is not a Scheduled Due Date, the initial Affected Principal Period shall be the period from and including the Break Date to but excluding the next succeeding Scheduled Due Date and the Affected Principal Period for such initial Affected Principal Period shall be the amount stated in the Schedule of Principal Amounts outstanding for the Scheduled Due Date next preceding the Break Date;

 (4) *“Prepayment Fraction”* means, for each Scheduled Due Date, a fraction the numerator of which is the amount of the credit to be applied pursuant to the applicable provisions of the Bonds and the Resolution to reduce the principal amount due on such date and the denominator of which is the amount of the payment otherwise due on such date (without regard to such credit); and

 (5) *“Break Rate”* means, for any Break Date, and with respect to each Bond, the fixed rate the Calculation Agent determines is representative of what swap dealers would be willing to pay to the Calculation Agent (or, if required to be cleared under the Commodity Exchange Act or a Commodity Futures Trading Commission rule or regulation promulgated thereunder, to a swap clearinghouse) as fixed rate payors on a semi‑annually basis in return for receiving one‑month LIBOR‑based payments monthly under interest rate swap transactions that would commence on such Break Date, and mature on, or as close as commercially practicable to, the Maturity Date.

 2. The Calculation Agent shall determine the Breakage Fee hereunder in good faith using such methodology as the Calculation Agent deems appropriate under the circumstance, and the Calculation Agent’s determination shall be conclusive and binding in the absence of manifest error.

**[Schedule I to Exhibit D**

**Amortization Schedule[[1]](#footnote-1)\***

|  |  |
| --- | --- |
| Scheduled Due DatesJuly 1 of each of | Schedule of Principal Amounts |
| 2018201920202021202220232024202520262027 | $118,645,000$117,165,000$115,660,000$114,130,000$112,580,000$94,770,000$76,610,000$58,110,000$39,220,000$20,160,000] |

1. \* This schedule to be verified once pricing is complete. [↑](#footnote-ref-1)