

DAGGETT COUNTY

RESOLUTION 94-1

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF DAGGETT COUNTY, UTAH TAX AND REVENUE ANTICIPATION NOTES, SERIES 1994B IN THE AGGREGATE PRINCIPAL AMOUNT OF \$135,000, AWARDDING AND CONFIRMING SALE OF THE NOTES, AND ENTERING INTO CERTAIN COVENANTS AND MAKING CERTAIN REPRESENTATIONS IN CONNECTION THEREWITH; APPROVING THE FORM OF THE NOTES; AND RELATED MATTERS.

WHEREAS, the Board of County Commissioners (the "Board") of Daggett County, Utah (the "County"), has determined to sell its \$135,000 Tax and Revenue Anticipation Notes, Series 1994B (the "Notes") for the purpose of meeting the current expenses of the county for the fiscal year ending December 31, 1994, until the payment of taxes and receipt of other revenues for said fiscal year, and that such sum can be raised without incurring any indebtedness or liability in excess of the taxes or other revenues for the current fiscal year or exceeding any limit of debt imposed by the Constitution and statutes of the State of Utah; and

WHEREAS, the Board has determined that the proposed offer of First Interstate Bank of Utah, N.A. (the "Purchaser") for the purchase of the Notes is economically beneficial and acceptable to the County, which offer proposes to purchase the Notes at the price of 100% of the principal amount thereof plus accrued interest, if any, to the date of delivery, the Notes to bear interest as hereinafter set forth; and

WHEREAS, in the opinion of the Board it is in the best interests of the County that such bid be accepted and the sale of the Notes to the Purchaser be authorized and confirmed; and

WHEREAS, there is an immediate and pressing need for raising funds in the amount of \$135,000 for the fiscal year commencing January 1, 1994 until the payment of taxes and receipt of other revenues for said fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Daggett County, Utah, as follows:

Section 1. The offer of the purchaser for the purchase of the \$135,000 Daggett County, Utah Tax and Revenue Anticipation Notes, Series 1994B (the "Notes") described herein is hereby accepted and approved.

Section 2. The Notes shall be delivered to the Purchaser thereof after the adoption of this resolution pursuant to due payment therefor in accordance with the terms of the sale.

Section 3. For the purpose of meeting the current expenses of the County for the fiscal year beginning January 1, 1994, until the

payment of taxes and receipt of other revenues of said fiscal year, the County shall borrow the sum of one hundred thirty-five thousand dollars (\$135,000), and for that purpose as evidence of such indebtedness, shall issue and deliver the Notes to the Purchase, the Notes bearing interest at the rate of 3.26% per annum from the dated date until paid. The Notes shall be dated as of the date of deliver, shall be known as "Daggett County, Utah Tax and Revenue Anticipation Notes, Series 1994B," and shall be due and payable on December 30, 1994, in lawful money of the United States of America at the Daggett County Treasurer's Office, in Manila, Utah, as paying agent. The Notes are not subject to redemption prior to maturity.

Section 4. The Notes shall be executed by the facsimile signature of the Chair of the Board and attested by the facsimile signature of the County Clerk and sealed with the seal or facsimile seal of the County Clerk which shall be impressed, imprinted or reproduced thereon. The Chair is hereby authorized, empowered, and directed to execute, and the County Clerk to attest and affix or cause to be impressed, imprinted or reproduced thereon, the seal of the County clerk to the Notes, and the acts of said Chair and county Clerk in so doing are and shall be the act and deed of the County.

Section 5. The Daggett County Treasurer, Manila, Utah, is hereby appointed Registrar and Paying Agent for the Notes. The County shall cause books for the registration and for the transfer of the Notes as provided in this Resolution to be kept by the Paying Agent which is hereby constituted and appointed the Registrar of the county. Upon surrender for transfer of any Note at the principal office of the Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing with signature guaranteed, the County shall execute and deliver in the name of the transferee or transferees a new, fully registered Note or Notes for a like aggregate principal amount.

In each case the Registrar shall require the payment by the registered owner requesting exchange or transfer, only of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 6. No Note shall be valid or obligatory for any purpose unless and until a Certificate of Authentication on such Note substantially in the form set forth in the form of the Notes hereinabove provided shall have been duly executed by the Paying Agent, and such executed Certificate of Authentication upon any such Note shall be conclusive evidence that such Note has been authenticated and delivered under this Resolution. The certificate of Authentication of the Paying Agent on any Note shall be deemed to have been executed by the Paying Agent if manually signed by any authorized officer of the Paying Agent, but it shall not be necessary that the same officer of the Paying Agent sign the Certificate of Authentication on all of the Notes issued hereunder.

Section 7. There shall be levied by the county in the fiscal year beginning January 1, 1994 a sufficient tax and there shall be collected sufficient revenues other than taxes to pay the principal and interest on the Notes as the same fall due, and to pay all budgeted maintenance and operation and other expenses of the County, and there is hereby appropriated from the first collection of taxes and other general fund revenues for said fiscal year, a sum sufficient to pay both principal and interest of the Notes as the same shall fall due. The County shall, at least seven days prior to the maturity date of the Notes, deposit tax and other revenues sufficient to retire the Notes, into a special fund to be designated the "Daggett County Tax and Revenue Anticipation Note Fund". Monies on deposit in said fund shall then be transferred to the Paying Agent for the Notes on the maturity date thereof. The full faith, credit, resources and all taxable property within the limits of the county are hereby irrevocably pledged to the levy of taxes and collection of other revenues for the fiscal year in which the Notes are issued and for the collection and proper allocation of such taxes and other revenues provided for such fiscal year to the prompt payment of principal of and interest of the Notes according to their terms.

Section 8. The County recognizes that the purchasers and holders of the Notes will have accepted them on, and paid therefor a price which reflects, the understanding that interest thereon is excluded from gross income for federal income tax purposes under laws enforced at the time the Notes shall have been delivered. In this connection, the County agrees that it shall take no action which may cause the interest on any of the Notes to be includable in gross income for federal income tax purposes. Prior to or contemporaneously with the delivery of the Notes, the Chair, the County Clerk and County Treasurer shall execute a no arbitrage and tax certificate on behalf of the County respecting the investment and the use of the proceeds of the Notes. Said certificate shall be a representation and certificate of the County, and an executed copy thereof shall be filed at the office of the County.

Section 9. The Chair, County Clerk, County Treasurer and other appropriate officials of the County are each hereby authorized and directed to execute such certificates and agreements as shall be necessary to establish that the Notes are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised.

Section 10. The County further covenants and agrees to and for the benefit of the holders of the Notes that the County (i) will not take any action that would cause interest on the Notes to be includable in gross income for federal income tax purposes, (ii) will not omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest on the Notes to be includable in gross income for federal income tax purposes, and (iii)

will, to the extent possible, comply with any other requirements of federal tax law applicable to the Notes in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Notes.

Section 11. The sale of the Notes to the Purchaser at a price of 100% of the principal amount thereof plus accrued interest, if any, to the date of delivery, in accordance with the terms of a Note Purchase Contract, submitted by said purchaser, is hereby in all respects adopted and confirmed, it being the opinion of the Board that said offer to purchase is economically beneficial to the County. The Note Purchase Contract attached hereto as Exhibit "B" is hereby approved, and the Chair is hereby authorized and directed to execute and deliver the Note Purchase Contract on behalf of the County. The County Clerk is hereby authorized and directed to affix the seal of the County Clerk to the Note Purchase Contract and to attest said seal and the execution of the Note purchase Contract.

Section 12. For purposes of and in accordance with Section 265 of the Code, the county hereby designates the Notes as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The County reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the County and by any aggregated issuer during the current calendar year will not exceed \$10,000,000. For purposes of this Section 12, "aggregated issuer" means any entity which (i) issues obligations on behalf of the County (ii) derives its issuing authority from the County, or (iii) is directly or indirectly controlled by the County within the meaning of Treasury Regulation Section 1.150-1(e). The County hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of such Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the County and all aggregated issuers for the current calendar year does not exceed \$10,000,000.

Section 13. The County hereby certifies for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code that (i) the Notes are issued by the County which has general taxing powers, (ii) neither the Notes nor any portion thereof are private activity bonds, (iii) ninety-five percent (95%) or more of the net proceeds of the Notes are to be used for local government activities of the County, (iv) the aggregate face amount of all tax-exempt bonds (other than private activity bonds as defined in Section 141 of the Code) issued by the County, all subordinate entities thereof, and all entities which issue indebtedness on behalf of the County, during the calendar year 1994, is not reasonably expected to exceed \$5,000,000, and (v) the County has not formed, benefited from, or availed itself of any entity to avoid the purposes of Section 148(f)(4)(D)(i)(IV).

Consequently the County shall be treated as meeting the requirements of paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States.

Section 14. The Notes so issued shall be delivered to the Paying Agent (as provided above) and its receipt taken therefor, and the Paying Agent shall authenticate and deliver the Notes to, or on the order of, the Purchaser as and when the Notes may be and are legally issued, upon receipt by the County of the purchase price therefor plus accrued interest, which said price and sale is this day ratified and confirmed.

Section 15. The appropriate officers of the County are hereby authorized to make any alterations, changes or additions in the documents approved by this Resolution necessary to comply with any requirements of the parties to this transaction, to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of this Resolution or to the provisions of law. The execution and delivery of such documents shall conclusively establish final approval of all such modifications.

Section 16. All resolutions and order or parts thereof in conflict with the provisions hereof are to the extent of such conflict hereby repealed.

Section 17. This resolution shall be in full force and effect immediately upon adoption.

Passes and approved this 19th day of January, 1994 by the Board of County Commissioners of Daggett County, Utah.

DAGGETT COUNTY, UTAH

/s/ Elbert J. Steinaker Jr.
Chair

ATTEST:

/s/ Gene Briggs
County Clerk

(S E A L)

STATE OF UTAH)
 : ss
COUNTY OF DAGGETT)

I, Gene Briggs, the duly qualified County Clerk of Daggett County, Utah, do hereby certify, according to the records of said County in my official possession, that the above and foregoing is a true and correct copy of the minutes of a meeting of the Board of County Commissioners, Daggett County, Utah, including a resolution adopted at said meeting, insofar as said minutes pertain to the matters set forth herein.

IN WITNESS WHEREOF, I have hereunto subscribed by official signature and impressed herein the corporate seal of Daggett County, Utah, this 19th day of January, 1994.

/s/ Gene Briggs
County Clerk

(S E A L)

EXHIBIT "A"

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Gene Briggs, the undersigned County Clerk of Daggett County, Utah (the "County"), do hereby certify, according to the records of the County in my official possession, and upon by own knowledge and belief, that in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the January 19, 1994, public meeting held by the County as follows:

1. By causing a Notice, in the form attached hereto as Schedule "A", to be posted at the County's principal offices on January 17, 1994, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

2. By causing a copy of such Notice, in the form attached hereto as Schedule "A", to be provided to Vernal Express on January 17, 1994, at least twenty-four (24) hours prior to the convening of the meeting.

3. In addition, the Notice of 1994 Annual Meeting Schedule for the Board of County Commissioners (attached hereto as Schedule "B") was given specifying the date, time and place of the regular meetings of the Board of County Commissioners to be held during the year, by causing said notice to be posted on December 15, 1993 at the principal office of the County and by causing a copy of said Notice to be provided to at least one newspaper of general circulation within the county on December 15, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 19th day of January, 1994.

/s/ Gene Briggs
County Clerk

(S E A L)

SCHEDULE "A"

Notice of Regular Meeting

SCHEDULE "B"

Notice of 1994 Annual Meeting Schedule

EXHIBIT "B"

Note Purchase Contract