

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF DAGGETT COUNTY, UTAH TAX AND REVENUE ANTICIPATION NOTES, SERIES 1998B IN THE AGGREGATE PRINCIPAL AMOUNT OF \$130,000; AWARDING 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 \$130,000 Tax and Revenue Anticipation Notes, Series 1998B (the "Notes") for the purpose of meeting the current expenses of the County for the fiscal year ending December 31, 1998, 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 U.S. Bank National Association (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 \$130,000 for the fiscal year commencing January 1, 1998 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 \$130,000 Daggett County, Utah Tax and Revenue Anticipation Notes, Series 1998B (the "Notes") described herein is hereby accepted and approved.

E 018847 B 0049 P 525
Date 27-JAN-1998 14:36pm
Fee: No Fee Charge
RANAE WILDE, Recorder
Recorded By SK
For DAGGETT COUNTY
DAGGETT COUNTY

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, 1998, until the payment of taxes and receipt of other revenues of said fiscal year, the County shall borrow the sum of One Hundred Thirty Thousand Dollars (\$130,000), and for that purpose as evidence of such indebtedness, shall issue and deliver the Notes to the Purchaser, the Notes bearing interest at the rate of 4.07% per annum from the dated date until paid. The Notes shall be dated as of the date of delivery, shall be known as "Daggett County, Utah Tax and Revenue Anticipation Notes, Series 1998B," and shall be due and payable on December 31, 1998, in lawful money of the United States of America at the Daggett County Treasurers Office, Manila, Utah, as paying agent. The Notes are not subject to redemption prior to maturity. The Notes shall be represented by registered notes in denominations of not less than \$100,000 each (or the total principal amount of such Note if such total amount is less than \$100,000), and shall be in substantially the following form:

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UNITED STATES OF AMERICA
STATE OF UTAH

DAGGETT COUNTY
TAX AND REVENUE ANTICIPATION NOTE,
SERIES 1998B

Unless this certificate is presented by an authorized representative of U.S. Bank National Association to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of U.S. Bank National Association or such other name as requested by an authorized representative of U.S. Bank National Association and any payment is made to U.S. Bank National Association, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, U.S. Bank National Association, has an interest herein.

Note No. R- _____ \$ _____

Dated Date _____, 1998

Registered Owner: _____

Principal Amount: _____

THIS NOTE HAS BEEN DESIGNATED BY THE COUNTY FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

Daggett County, Utah (the "County"), hereby acknowledges itself to be indebted and for value received hereby promises to pay to the registered owner hereof set forth above or registered assigns or legal representatives the principal amount set forth above in lawful money of the United States of America on the 31st day of December, 1998, upon presentation and surrender hereof at the Daggett County Treasurer's Office in Manila, Utah, as paying agent and registrar (the "Paying Agent"), with interest thereon at the rate of 4.07% per annum from the Dated Date set forth above until paid, payable at maturity. Interest on this Note shall be computed on the basis of a 360-day year of twelve 30-day months.

This Note is one of a series of notes known as "Daggett County, Utah Tax and Revenue Anticipation Notes, Series 1998B", which issue is issued in the aggregate

principal amount of One Hundred Thirty Thousand Dollars (\$130,000) pursuant to the authority contained in Chapter 14, Title 11, Utah Code Annotated 1953, as amended.

This Note is not subject to redemption prior to maturity.

It is hereby covenanted, certified, recited and declared that this Note is given in anticipation of the collection of taxes and other revenues to be levied and collected for the current fiscal year, in evidence of money borrowed to meet current expenses of the County during said current fiscal year until payment of the taxes and other revenues for such year, that taxes and other revenues within the limit provided by law and sufficient to pay principal of and interest on this Note as the same falls due and, together with other budgeted revenues to be received during such fiscal year, sufficient to pay all budgeted maintenance and operation and other expenses of the County for such fiscal year have been or will be levied and collected in such fiscal year on all taxable property within the County and that a sufficient fund has been appropriated for the payment of the principal of and interest on this Note as the same shall fall due.

It is hereby certified, recited and declared that the entire indebtedness of the County hereby incurred and any other indebtedness incurred in anticipation of the collection of taxes and revenues for the current fiscal year are not in excess of seventy-five percent (75%) of the taxes and other revenues levied and collected by the County for the fiscal year ended December 31, 1997, are not in excess of ninety percent (90%) of the taxes and other revenues of the County levied and collected or to be levied and collected for the current fiscal year, and that said indebtedness was and is contracted for the purpose for which said taxes and other revenues are levied and collected.

In the event the Internal Revenue Service determines that the interest payable on this Note is not excluded from gross income for federal income tax purposes, or determines that this Note does not qualify for the exception contained in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deductibility of a financial institution's interest expenses allocable to tax-exempt interest, the interest rate on this Note shall be adjusted to 8.50% and shall accrue from the date of delivery hereof (or such later date as of which such interest is no longer so excluded from gross income or this Note no longer qualifies under said Section 265(b)(3)). If such determination of the Internal Revenue Service occurs prior to this Note being paid in full, the obligation of the County to pay the additional interest accrued on this Note shall be due and payable on the Maturity Date but exclusively from the sources herein described. If, however, such determination by the Internal Revenue Service occurs after this Note is paid in full, the obligation of the County to pay the additional interest accrued on this Note shall be limited to the extent to which such amounts may be legally collected and so applied.

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This Note shall be registered on the books of the County to be kept for that purpose at the office of the Paying Agent set forth above, such registration shall be noted hereon and this Note shall only be transferable upon said books at said office by the registered owner or by his or her duly authorized attorney. Such transfers shall be without charge to the owner hereof but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the owner requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the County shall execute and deliver in exchange for this Note a new registered Note registered in the name of the transferee in authorized denominations.

It is hereby certified, recited and declared that all acts, conditions and things essential to the issuance of this Note exist, have happened and have been done, and that every requirement of law affecting the issue thereof has been duly complied with, and that this Note is within every debt and other limit prescribed by the Constitution and laws of the State of Utah. 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 the collection of other revenues for the fiscal year in which this Note is 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 on this Note according to its terms.

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IN WITNESS WHEREOF, Daggett County, Utah, by its Board of County Commissioners, has caused this Note to be signed with the manual or facsimile signature of its Chair and attested with the manual or facsimile signature of its County Clerk/Treasurer and the manual impression or facsimile of the seal of the County Clerk/Treasurer to be affixed hereto as of this 29th day of January, 1998.

DAGGETT COUNTY, UTAH

(Do not sign)

Chair

ATTEST:

(Do not sign)

County Clerk/Treasurer

(S E A L)

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ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Note, 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 entireties

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

UNIFORM GIFT MIN ACT - _____
(Cust.)

Custodian for _____
(Minor)

under Uniform Gift to Minors Act of _____
(State)
(Form of Assignment)

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED the _____ day of _____, _____.

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

Signature Guaranteed:

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

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Section 4. The Notes shall be executed by the manual or facsimile signature of the Chair of the Board and attested by the manual or facsimile signature of the County Clerk/Treasurer and sealed with the manual seal or facsimile seal of the County Clerk/Treasurer which shall be impressed, imprinted or reproduced thereon. The Chair is hereby authorized, empowered, and directed to execute, and the County Clerk/Treasurer to attest and affix or cause to be impressed, imprinted or reproduced thereon, the seal of the County Clerk/Treasurer to the Notes, and the acts of said Chair and County Clerk/Treasurer 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. The Notes shall be initially issued in the form of a single certified fully registered Note. Upon initial issuance, the ownership of such Note shall be registered in the registration books of the County kept by the Paying Agent in the name of U.S. Bank National Association. All of the outstanding Notes shall be registered in the registration books kept by the Paying Agent.

Section 7. There shall be levied by the County in the fiscal year beginning January 1, 1998 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

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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/Treasurer and County Recorder/Auditor 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/Treasurer, County Recorder/Auditor 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/Treasurer is hereby authorized and directed to affix the seal of the

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County Clerk/Treasurer 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 and will 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 1998, is not reasonably expected to exceed \$5,000,000, and (v) the County has not formed, benefitted 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.

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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 orders 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.

Section 18. All of the covenants, statements, representations, agreements and promises contained in the Notes and all recitals and representations in this Resolution are hereby adopted as the covenants, statements, representations, agreements and promises of the Board and the County.

Section 19. The proceeds derived from the sale of the Notes shall be used solely for the purpose of meeting County expenses during the current fiscal year. The holder(s) of the Notes shall not be responsible, directly or indirectly, for the application of the proceeds of the Notes by the Board or the County or any of the officials or employees thereof.

Section 20. All proceedings, resolutions and actions of the Board and its officials, employees, agents and individual members taken in connection with the sale and issuance of the Notes are hereby ratified, confirmed and approved.

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Passed and approved this 21st day of January, 1998 by the Board of County Commissioners of Daggett County, Utah.

DAGGETT COUNTY, UTAH

Chad S. Reed

Chair

ATTEST:

Dicky McKee

County Clerk/Treasurer



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