FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of March 1, 2016

by and between

LOGAN CITY, UTAH

and

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION,
as Trustee

Supplementing the
General Indenture of Trust
Dated as of March 1, 2016

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# FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of March 1, 2016, is by and between Logan City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer") and Zions Bank, a division of ZB, National Association, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of March 1, 2016 (the "General Indenture") with the Trustee; and

WHEREAS, in order to (i) acquire and construct improvements and additions to the Issuer's existing sewage treatment system, including, but not limited to, a new sewer treatment facility to serve the Issuer and other cities pursuant to an Interlocal Agreement, and all related improvements (the "Series 2016 Project" ) and (iii) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Taxable Sewer Treatment Revenue Bonds, Series 2016 in the aggregate principal amount of $70,000,000 (the "Series 2016 Bonds"); and

WHEREAS, the Series 2016 Bonds will be authorized, issued and secured under the General Indenture, as amended and supplemented by this First Supplemental Indenture (the "First Supplemental Indenture," and collectively with the General Indenture, and any amendments thereto or hereto, the "Indenture"); and

WHEREAS, the State of Utah acting through the Department of Environmental Quality, Water Quality Board (the "Water Quality Board") has agreed to purchase the Series 2016 Bonds upon the terms and conditions herein set forth; and

WHEREAS, the execution and delivery of the Series 2016 Bonds and of this First Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2016 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this First Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2016 Bonds and all other Bonds Outstanding and Additional Bonds issued and Outstanding under the Indenture, the payment of the principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds, to secure the Security Instrument Issuers of Security Instruments, if any, for any Bonds, and of all Reserve Instrument Providers of Reserve Instruments , if any, for any Bonds, and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time and the issuance of the Reserve Instrument by the Reserve Instrument Provider, if

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

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

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

## ARTICLE I

## SUPPLEMENTAL INDENTURE; DEFINITIONS

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

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

"Dated Date" means the date of delivery of the Series 2016 Bonds.

"Debt Service Reserve Requirement" means $3,782,144 with respect to the Series 2016 Bonds.

"Exchange Bonds" means the fully registered Series 2016 Bonds issued in substantially the form set forth in Exhibit A-2 in exchange for the State Bonds representing the Series 2016 Bonds or in exchange for other Exchange Bonds, in the denomination of $1,000 or any integral multiple thereof.

"Interest Payment Date" means, with respect to the Series 2016 Bonds, each August 1, commencing August 1, 2017.

"Purchaser" means the State of Utah, Department of Environmental Quality, Water Quality Board and its successors and assigns, as purchaser of the Series 2016 Bonds.

"Repair and Replacement Fund" means the fund established under the General Indenture.

"Series 2016 Acquisition/Construction Account" means the account established within the Acquisition/Construction Fund under the General Indenture held in trust by the Trustee, into which a portion of the proceeds of the Series 2016 Bonds shall be deposited as provided herein.

"Series 2016 Bonds" means the Logan City, Utah Taxable Sewer Treatment Revenue Bonds, Series 2016 authorized herein.

"Series 2016 Debt Service Reserve Account" means the account established within the Debt Service Reserve Fund under the General Indenture held in trust by the Trustee.

"Series 2016 Project" means the acquisition and construction of improvements and additions to the Issuer's existing sewage treatment system, including, but not limited to, a new sewer treatment facility to serve the Issuer and other cities pursuant to an Interlocal Agreement, and all related improvements.

"State Bonds" means the fully registered Series 2016 Bonds issued in substantially the form set forth in Exhibit A-1 in the denominations equal to the aggregate principal amount of each such Series of Bonds.

"Water Quality Board" means the State of Utah, Department of Environmental Quality, Water Quality Board, or any successor thereof.

## ARTICLE II

## ISSUANCE OF THE SERIES 2016 BONDS

Section 2.1. Principal Amount, Designation and Series. The Series 2016 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (a) finance the costs of acquiring, constructing, and installing the Series 2016 Project, and (b) paying costs of issuance of the Series 2016 Bonds. The Series 2016 Bonds shall be limited to $70,000,000 in aggregate principal amount, shall be issued, (i) if issued as a State Bond, in the form set forth in Exhibit A-1, and (ii) if issued as Exchange Bonds, in the form set forth in Exhibit A-2, in fully registered form. The Series 2016 Bonds shall bear interest from their Dated Date at the rate of 0.75% per annum on the unpaid principal balance of the Series 2016 Bonds which shall be payable commencing August 1, 2021, until the Series 2016 Bonds are paid in full. If issued as Exchange Bonds, the Series 2016 Bonds shall be in the denomination of $1,000 or any integral multiple thereof. The Series 2016 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2016 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, "Taxable Sewer Treatment Revenue Bonds, Series 2016."

Section 2.2. Advances of Proceeds. On or before fifteen (15) days prior to the first day of each calendar quarter beginning prior to the payment by the Issuer of costs of construction of the Series 2016 Project, or at such other time as shall be specified by the Water Quality Board, the Issuer shall provide to the Water Quality Board a certificate setting forth a schedule of the costs of construction which the Issuer estimates will become due and payable by the Issuer during the next calendar quarter. Advances made by the Water Quality Board on the basis of such certificates shall be deposited with the Trustee. Upon receipt of evidence of deposit of each advance with the Trustee, the City Recorder of the Issuer shall give telephonic authorization followed by written confirmation to the Water Quality Board to stamp or write the date and amount of such advance made by the Water Quality Board in the appropriate place on the Certificate of Dates of Payment and Amount appearing on the State Bonds and a copy of such Certificate shall be forwarded to the Trustee by the Water Quality Board. Each advance made by the Water Quality Board on the State Bonds shall constitute a pro-rata portion of proceeds of the State Bonds and shall be deemed to constitute the full purchase price of the corresponding principal amount of the State Bonds noted on the Certificate of Dates of Payment and Amount appearing on the State Bonds. As advances are made by the Water Quality Board, they shall be deemed to represent principal payments in the order of their maturity.

Section 2.3. Date and Maturities. The Series 2016 Bonds shall be dated as of their date of delivery, shall be in the denomination of One Thousand Dollars ($1,000) each or any integral multiple thereof and shall be paid as provided in this Section 2.3. The Series 2016 Bonds shall be initially issued as one fully registered State Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the

applicable Series 2016 Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent.

So long as the Water Quality Board is the Registered Owner of the State Bonds, payments on the Series 2016 Bonds shall be made by check or draft and mailed to the Water Quality Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. So long as the Water Quality Board is the Registered Owner of the State Bond, in lieu of presentation or the surrender of the State Bond to the Paying Agent for notations by the Paying Agent of such payments, the Water Quality Board, by its Assistant Executive Secretary or his designee, shall endorse such payments upon the State Bond. Payment on the Series 2016 Bonds shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America.

The Series 2016 Bonds shall be dated as of the Dated Date and the Issuer shall make four annual interest only payments on August 1 of each year commencing August 1, 2017. Thereafter, the Series 2016 Bonds shall be payable in installment payments on August 1 in the years and in the amounts and shall bear interest at the rate of 0.75% per annum as follows:

| Principal Installment Payment Date | Principal Payable | Principal Installment Payment Date | Principal Payable |
|---|---|---|---|
| August 1, 2021 | $3,257,000 | August 1, 2031 | $3,510,000 |
| August 1, 2022 | 3,282,000 | August 1, 2032 | 3,536,000 |
| August 1, 2023 | 3,306,000 | August 1, 2033 | 3,563,000 |
| August 1, 2024 | 3,331,000 | August 1, 2034 | 3,589,000 |
| August 1, 2025 | 3,356,000 | August 1, 2035 | 3,616,000 |
| August 1, 2026 | 3,381,000 | August 1, 2036 | 3,643,000 |
| August 1, 2027 | 3,406,000 | August 1, 2037 | 3,671,000 |
| August 1, 2028 | 3,432,000 | August 1, 2038 | 3,698,000 |
| August 1, 2029 | 3,458,000 | August 1, 2039 | 3,726,000 |
| August 1, 2030 | 3,484,000 | August 1, 2040 | 3,755,000 |

If less than $70,000,000 is advanced on the Series 2016 Bond, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of principal payment (and the amount of the final remaining principal installment shall be reduced, if required) to correspond to the total principal amount of the Series 2016 Bonds.

The interest on Series 2016 Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the Registered Owner thereof at the close of business on the Regular Record Date for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Series 2016 Bonds on such Regular Record Date, and may be paid to the registered owner thereof at the close of business on a Special Record Date for

the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such registered owner not less than ten days prior to such Special Record Date. To the extent that the payment of principal of and premium, if any, on the Series 2016 Bonds results in the reduction in aggregate principal amount of the Series 2016 Bonds Outstanding, a Registered Owner shall not be required to submit its Series 2016 Bond certificate to the Trustee for payment and shall instead make an appropriate notation on such Bond certificate indicating the date and amounts of such redemption in principal, except in the case of final maturity, in which case the Bond certificate must be presented to the Trustee prior to payment. The Trustee's records shall govern in the case of discrepancy with the noted schedule on the Series 2016 Bonds, absent manifest error. Interest shall be paid by check or draft mailed on each Interest Payment Date to the Holder of each of the Series 2016 Bonds as the name and address of such Holder appears on the Record Date in the Register. Interest on the Series 2016 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 2.4. Optional Redemption and Redemption Prices. Each principal payment of the Series 2016 Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of $1,000), at the election of the Issuer, in inverse order of the due dates thereof, and by lot selected by the Issuer if less than all of the State Bonds of a particular due date are to be redeemed, upon notice as provided in Section 2.5 hereof, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the Water Quality Board with respect to the State Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed.

Section 2.5. Notice of Redemption for Exchange Bonds.

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.5. Notice of such redemption shall be provided by the Issuer to the Trustee at least forty-five (45) days prior to the anticipated date for redemption. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Exchange Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Exchange Bonds, including series, to be redeemed, the identification numbers of the Exchange Bonds being redeemed;

(ii) any other descriptive information needed to identify accurately the Exchange Bonds being redeemed, including, but not limited to, the original issue date of such Exchange Bonds;

(iii) in the case of partial redemption of any Exchange Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and

(vii) the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) Upon the payment of the redemption price of Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

(c) The Registrar shall not give notice of such redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

Notice of redemption shall be given, not more than forty-five (45) days or less than thirty (30) days prior to the redemption date, to Registered Owners of the Exchange Bonds, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Exchange Bonds or portions thereof redeemed but who failed to deliver Series 2016 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 Registered Owner of such Series 2016 Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Series 2016 Bonds.

In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2016 Bond, a new Series 2016 Bond in principal amount equal to the unredeemed portion of such Series 2016 Bond will be issued.

Section 2.6. Delivery of Bonds. It is hereby determined that the Series 2016 Bonds shall be authenticated and delivered to the Water Quality Board on such date upon which the Mayor and the Water Quality Board shall mutually agree.

Section 2.7. Delinquent Payment. Payments on the Series 2016 Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen percent (18%) per annum on the delinquent payment from said due date until paid in full.

Section 2.8. Exchange of State Bonds. As long as the Water Quality Board is the sole Registered Owner of the Series 2016 Bonds, the Series 2016 Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit A-1. It is recognized that the Water Quality Board may sell or otherwise transfer the Series 2016 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the Water Quality Board determines to sell or otherwise transfer all or a portion of the Series 2016 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 2.8. Any Series 2016 Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the Water Quality Board pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit A-2, and shall be executed pursuant to authorization contained in Section 2.3 of the General Indenture. Each principal payment on the State Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the State Bonds for Exchange Bonds, provided that the Water Quality Board shall pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

Section 2.9. Execution of Bonds. The Mayor is hereby authorized to execute by facsimile or manual signature the Series 2016 Bonds and the City Recorder to countersign and attest by facsimile or manual signature the Series 2016 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2016 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2016 Bonds.

Section 2.10. Delivery of Bonds. It is hereby determined that the Series 2016 Bonds shall be authenticated and delivered to the Purchaser upon compliance with the General Indenture and payment of the purchase price thereof.

Section 2.11. Designation of Registrar. The Trustee is hereby designated as Registrar for the Series 2016 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Registrar.

Section 2.12. Designation of Paying Agent. The Trustee is hereby designated as Paying Agent for the Series 2016 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Paying Agent.

Section 2.13. Limited Obligation. The Series 2016 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Net Revenues

(except to the extent paid out of moneys attributable to the Series 2016 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

Section 2.14. Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Series 2016 Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Net Revenues.

Section 2.15. Series 2016 Bonds as Initial Bonds. The Series 2016 Bonds are issued as the first series of Initial Bonds under the General Indenture. The Series 2016 Bonds constitute a portion ($70,000,000) of the up to $110,000,000 in aggregate principal amount of Initial Bonds.

## ARTICLE III

## APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1. Application of Proceeds of the Series 2016 Bonds. The Issuer shall deliver to the Trustee the proceeds from the sale of the Series 2016 Bonds in the amount of $869,000 (the initial incremental advance on the Series 2016 Bonds) and the Trustee shall deposit such proceeds into the Series 2016 Acquisition/Construction Account held by the Trustee under the General Indenture, to be used to finance the costs of the Series 2016 Project, including costs of issuance. Subsequent incremental advances shall be applied as provided in the form of State Bonds set forth in Exhibit A-1.

Section 3.2. Creation of Series 2016 Acquisition/Construction Account. There is hereby established with the Trustee the Series 2016 Acquisition/Construction Account within the Acquisition/Construction Fund.

Section 3.3. Series 2016 Acquisition/Construction Account. Disbursements of moneys in the Series 2016 Acquisition/Construction Account shall be made in accordance with the provisions of Section 5.1 of the General Indenture, provided, however, that costs of issuance shall be disbursed as instructed in a costs of issuance disbursement request, substantially in the form attached hereto as Exhibit B, to be delivered by the Issuer to the Trustee on the delivery date of the Series 2016 Bonds. The requisition to be submitted by the Issuer to the Trustee must evidence written approval by the Water Quality Board before the Trustee may disburse any moneys from said Account pursuant thereto. Notwithstanding anything to the contrary in the General Indenture, the Issuer recognizes and agrees that not more than $869,000 may be disbursed from the Series 2016 Acquisition/Construction Account unless and until the Issuer has satisfied each of the following conditions: (a) the Issuer must supply to the Purchaser written evidence reasonably satisfactory to the Purchaser that (i) the Issuer has completed plans and specifications for the remainder of the Series 2016 Project being financed with the funds in the Series 2016 Acquisition/Construction Account and has obtained the approval of the Utah Division of Water Quality with respect thereto; (ii) the Issuer has advertised for bids and opened bids relating to the construction of the remainder of the Series 2016 Project and is prepared to award the construction contract to the successful bidder, and (iii) the funds remaining in the Series 2016 Acquisition/Construction Account (including funds received from the State of Utah Community Impact Fund Board loan and private placement bond funds, if any) are sufficient to cover the costs of completing the Series 2016 Project; and (b) the Issuer's attorney must supply to the Purchaser a written legal opinion certifying that the process used by the Issuer in soliciting bids and awarding the contract to complete the construction of the Series 2016 Project was consistent with all legal procurement statutes, rules and requirements. If the Issuer fails to satisfy all of these requirements within 24 months after the date of this Supplemental Indenture, the Purchaser may give written demand to the Trustee, whereupon the Trustee shall, without requiring further authorization from any party, disburse to the Purchaser all funds then held in the Series 2016 Acquisition/Construction Account, including interest thereon through the date of said demand, and the funds disbursed to the Purchaser shall be

applied by the Purchaser as a prepayment of Series 2016 Bonds principal in inverse order of principal maturities.

Section 3.4. Debt Service Reserve Fund. From and after the delivery date of the Series 2016 Bonds, the Issuer shall allocate in no more than six annual installments to be paid beginning on August 1, 2021, and each August 1 thereafter, to the Series 2016 Debt Service Reserve Account within the Debt Service Reserve Fund an amount equal to $630,357.33, plus such additional amount as may be required to meet any monthly installment to said Account which has not been previously paid in whole or in part, until there shall have been accumulated therein an amount equal to $3,782,144, the Debt Service Reserve Requirement with respect to the Series 2016 Bonds. The moneys on deposit in the Series 2016 Debt Service Reserve Account shall be used and when used, replenished, in accordance with the provisions of the General Indenture.

Section 3.5. Repair and Replacement Fund. For purposes of the Series 2016 Bonds, the Repair and Replacement Fund Requirement shall initially equal $1,891,072 and shall be funded by the Issuer from the Net Revenues of the System in monthly installments of $26,265 beginning August 1, 2021, until there shall be on deposit therein $1,891,072. Said moneys shall be deposited by the Issuer in the Repair and Replacement Fund. Thereafter, the Issuer shall replenish the Repair and Replacement Fund as provided in Sections 5.2(e) and 5.7 of the General Indenture.

## ARTICLE IV

## ADDITIONAL COVENANTS

Section 4.1. Additional Covenants With Respect to the Series 2016 Bonds. The Issuer hereby covenants and agrees with the holder of the Series 2016 Bonds issued hereunder the following:

(a) So long as the Series 2016 Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. The Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System and all properties constituting the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each fiscal year (the term "fiscal year" as used in this subsection meaning whatever twelve-month period the Issuer may from time to time be using for general financial accounting purposes) cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the System, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the Water Quality Board is the registered owner of any of the Series 2016 Bonds, each such audit will be supplied to the Water Quality Board as soon as completed without prior request therefor by the Water Quality Board. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

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

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

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

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

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

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

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

(viii) The total billings for such fiscal year;

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

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

(b) In addition to the reporting requirements set forth in 4.1(a) above, the Issuer shall submit to the Water Quality Board within one hundred eighty (180) days following the close of the Issuer's fiscal year, a summary report substantially in the form as provided by the Water Quality Board to the Issuer upon purchase of the Series 2016 Bonds. The Water Quality Board may, however, upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular fiscal year set forth in this Section 4.1(b).

All expenses incurred in compiling the information required by this section shall be regarded and paid as an Operation and Maintenance Expense. If the holder of the Series 2016 Bonds is other than the Water Quality Board, the Issuer agrees to furnish a copy of such information to such Bondholder at its request after the close of each fiscal year. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

(c) Every officer, agent or employee of the Issuer having custody or control of any of the Revenues or of the proceeds of the Series 2016 Bonds shall be bonded by a responsible corporate surety in an amount not less than twice the annual debt service on all Bonds issued under the Indenture, plus the annual debt service of the Series 2016 Bonds. The premiums on such surety bonds shall not be an Operation and Maintenance Expense of the System.

(d) The Issuer shall commence and complete the acquisition and construction of the Series 2016 Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

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

(f) The Issuer shall commence and complete the acquisition and construction of the Series 2016 Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(g) The Issuer will, upon request, provide a copy of the Trustee's annual accounting required by Section 8.13 of the General Indenture to the Water Quality Board.

(h) The Issuer agrees, in accepting the proceeds of the Series 2016 Bonds, to comply with all applicable state and federal regulations related to the Utah State Revolving Fund administered by the Water Quality Board. These requirements include, but are not limited to, Title VI of the Clean Water Act of 1987, The Single Audit Act of 1996, the Utah Wastewater Loan Program, the Local Government Bonding Act, the Utah Money Management Act, the Utah Procurement Code, and the State of Utah Legal Compliance Audit Guide.

## ARTICLE V

## CONFIRMATION OF GENERAL INDENTURE

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

## ARTICLE VI

## MISCELLANEOUS

Section 6.1. Confirmation of Sale of Series 2016 Bonds. The sale of the Series 2016 Bonds to the Water Quality Board at a price of $70,000,000, is hereby ratified, confirmed and approved.

Section 6.2. Severability. If any provision of this First Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this First Supplemental Indenture contained, shall not affect the remaining portions of this First Supplemental Indenture, or any part thereof.

Section 6.3. Counterparts. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 6.4. Applicable Law. THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE OF UTAH.

Section 6.5. Effective Date. This First Supplemental Indenture shall become effective immediately upon execution.

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

(SEAL)

LOGAN CITY, UTAH

By: _____
Mayor

COUNTERSIGN:

_____
City Recorder

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION, as Trustee

By: _____

Title: Vice President

EXHIBIT A

(FORM OF SERIES 2016 BOND)

Registered Registered

UNITED STATES OF AMERICA
STATE OF UTAH
LOGAN CITY, UTAH
TAXABLE SEWER TREATMENT REVENUE BONDS
SERIES 2016

Number R - ___ $_____

| Interest Rate | Maturity Date | Dated Date |
|---|---|---|
| 0.75% | | |

Registered Owner: _____

Principal Amount: _____

Logan City, Utah ("Issuer"), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above in installments set forth herein with interest thereon until paid at the Interest Rate per annum specified above, payable annually on August 1 of each year with four interest only payments commencing August 1, 2017 and interest and principal payments commencing August 1, 2021, until said Principal Amount is paid in full. Principal and premium, if any, shall be payable upon surrender of this Bond at the principal offices of Zions Bank, a division of ZB, National Association, One South Main Street, 12th Floor, Salt Lake City, Utah ("Trustee" and "Paying Agent"), or its successors provided, however, that as long as the State of Utah Department of Environmental Quality Water Quality Board ("Water Quality Board") is the registered holder of this Bond, installment payments of principal and interest shall be made without presentation of the Bond by check or draft mailed to the Water Quality Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America. Principal shall be

payable in registered installments on August 1 of each of the years as set forth in the following repayment schedule:

| Principal Installment Payment Date | Principal Payable | Principal Installment Payment Date | Principal Payable |
|---|---|---|---|
| August 1, 2021 | $3,257,000 | August 1, 2031 | $3,510,000 |
| August 1, 2022 | 3,282,000 | August 1, 2032 | 3,536,000 |
| August 1, 2023 | 3,306,000 | August 1, 2033 | 3,563,000 |
| August 1, 2024 | 3,331,000 | August 1, 2034 | 3,589,000 |
| August 1, 2025 | 3,356,000 | August 1, 2035 | 3,616,000 |
| August 1, 2026 | 3,381,000 | August 1, 2036 | 3,643,000 |
| August 1, 2027 | 3,406,000 | August 1, 2037 | 3,671,000 |
| August 1, 2028 | 3,432,000 | August 1, 2038 | 3,698,000 |
| August 1, 2029 | 3,458,000 | August 1, 2039 | 3,726,000 |
| August 1, 2030 | 3,484,000 | August 1, 2040 | 3,755,000 |

If less than $70,000,000 is advanced on the Series 2016 Bonds, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of payment (and the amount of the final remaining principal payment shall be reduced, if required) to correspond to the maximum principal amount of the Series 2016 Bonds.

If any installment payment of Bond principal and interest is not paid when due and payable, the Issuer shall pay interest at the rate of eighteen percent (18%) per annum on the delinquent installment from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America

This Bond is one of an issue of Bonds of the Issuer designated as the "Logan City, Utah Taxable Sewer Treatment Revenue Bonds, Series 2016" (the "Series 2016 Bonds") in the aggregate principal amount of $70,000,000 of like tenor and effect, except as to date of maturity and interest rate, numbered R-1 and upwards, issued by the Issuer pursuant to a General Indenture of Trust and a First Supplemental Indenture of Trust each dated as of March 1, 2016 (collectively, the "Indenture") approved by resolutions adopted on February 16, 2016 and March 15, 2016 (collectively, the "Bond Resolution"), for the purpose of (i) funding the acquisition and construction of improvements and additions to the Issuer's existing sewage treatment system, including, but not limited to, a new sewer treatment facility to serve the Issuer and other cities pursuant to an Interlocal Agreement, and all related improvements (the "Series 2016 Project"), and (ii) paying certain issuance expenses, all in full conformity with the Constitution and laws of the State of Utah. Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated "Logan City, Utah Sewer Treatment Revenue Bond Fund" (the "Bond Fund"), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Net Revenues (as defined in the

Indenture) derived and to be derived from the Issuer's System all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2016 Bonds shall be payable only from the Net Revenues (as defined in the Indenture) and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer, within the meaning of any constitutional or statutory provision or limitation of indebtedness.

As provided in the Indenture, additional bonds, notes and other obligations of the Issuer may be issued and secured on an equal lien parity with the Series 2016 Bonds, from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes and other obligations issued and to be issued under the Indenture is not limited.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2016 Bonds, the terms upon which the Series 2016 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

Except as otherwise provided herein and unless the context indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

Interest on the Series 2016 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2016 Bonds authenticated on or subsequent to the first Interest Payment Date shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date, as of that date; provided, however, that if interest on the Series 2016 Bonds shall be in default, interest on the Series 2016 Bonds issued in exchange for Series 2016 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2016 Bonds surrendered.

The Series 2016 Bonds are subject to optional redemption, with notice, as provided in the Indenture.

The Bonds are issued as fully registered Bonds. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of other authorized denominations of the same series and the same maturity.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the designated corporate offices of Zions Bank, a division of ZB, National Association (the "Registrar"), in Salt Lake City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the

Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Paying Agent may deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), and this Bond does not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that it will cause to be collected and accounted for sufficient Net Revenues as will at all times be sufficient to pay promptly the principal of and interest on this Bond and the issue of which it forms a part and to make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Net Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond.

This Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its City Recorder under its corporate seal or a facsimile thereof.

LOGAN CITY, UTAH

(SEAL)

(facsimile or manual signature)
Mayor

COUNTERSIGN:

(facsimile or manual signature)
City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Taxable Sewer Treatment Revenue Bonds, Series 2016 of Logan City, Utah.

Zions Bank, a division of ZB, National Association, as Trustee

By:_____(Manual Signature)_____
Authorized Officer

Date of Authentication: _____.

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto:

_____

(Social Security or Other Identifying Number of Assignee)

_____

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 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 on the face of this 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).

REGISTRATION CERTIFICATE

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

| Date of Registration | Name of Registered Owner | Signature of Bond Registrar |
|---|---|---|
| _____ | State of Utah Department of Environmental Quality, Water Quality Board | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

The undersigned authorized representative of the State of Utah Department of Environmental Quality, Water Quality Board (the "Board"), hereby certifies that the Board has received written authorization from the Treasurer of the Issuer to stamp or write the amount or amounts indicated below on the date or dates set forth opposite such amount(s); that the amount last inserted under the column "Total Principal Sum" is the total amount received by the issuer for the issuance of this Bond, and that the undersigned has placed his/her signature in the space provided opposite such amount(s) to evidence the same. A copy of this certificate shall be forwarded to the Trustee (Zions Bank, a division of ZB, National Association) pursuant to the requirement in Section 2.2 of the First Supplemental Indenture dated as of March 1, 2016.

| Amount of Payment | Date of Payment | Total Principal Sum | Board Representative Signature |
|---|---|---|---|
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |
| $_____ | _____ | $_____ | _____ |

EXHIBIT A-2

FORM OF EXCHANGE BOND—SERIES 2016

UNITED STATES OF AMERICA
STATE OF UTAH
LOGAN CITY, UTAH
TAXABLE SEWER TREATMENT REVENUE BONDS, SERIES 2016

| Interest Rate | Maturity Date | Issue Date |
|---|---|---|
| % | _____ | _____, 200__ |

Registered Owner: _____

Principal Amount: _____ DOLLARS

Logan City, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender thereof, the Principal Amount identified above. Interest on the Principal Amount shall be payable by check or draft mailed by Zions Bank, a division of ZB, National Association (the "Paying Agent") to the Registered Owner hereof on each August 1st. Principal, interest, and redemption price of this Bond shall be payable upon presentation of this Bond to the Paying Agent, for payment at maturity.

If any installment payment of Bond principal or interest is not paid when due and payable, the Issuer shall pay interest at the rate of eighteen percent (18%) per annum on the delinquent installment from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America

This Bond is one of an authorized issue of bonds of like date, term and effect except as to maturity, in the aggregate principal amount of _____ Dollars ($_____), issued in exchange for the conversion of the Issuer's Taxable Sewer Treatment Revenue Bonds, Series 2016 in the total principal sum of $_____ authorized by a General Indenture of Trust and a First Supplemental Indenture of Trust, each dated as of March 1, 2016 (collectively, the "Indenture"), as authorized by a resolutions of the Issuer adopted on February 16, 2016 and March 15, 2016. This Bond and the issue of Bonds of which it is a part is issued pursuant to (1) the Indenture and (2) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended (the "Act") to (a) finance the Series 2016 Project as defined in the Indenture, and (b) pay costs incurred in connection with the issuance of the Series 2016 Bonds. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Indenture) of the System and does not constitute an

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

As provided in the Indenture, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be issued under the Indenture on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Indenture.

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

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

Subject to the provisions of the Indenture, the Series 2016 Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of $1,000 or any integral multiple thereof.

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

To the extent and in the respects permitted by the Indenture, the Indenture may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Indenture. The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an

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

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

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond and the issue of which it forms a part do exist, have happened and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond and the issue of which it forms a part does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that one hundred percent (100%) of the Net Revenues to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been pledged and will be set aside into said special fund by the Issuer to be used for the payment of this Bond and the issue of which it forms a part, and all bonds and notes issued on a parity with this Bond, if any, and that said Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than by the issue of Series 2016 Bonds of which this Bond is one and all bonds and notes issued on a parity with this Bond, if any.

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

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder with the seal of said Issuer affixed, all as of _____, 2016.

(SEAL)

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

COUNTERSIGN:

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

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2016 Bonds described in the within mentioned Indenture.

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION, as Trustee

By:_____
Authorized Officer

Date of Authentication:

_____

REGISTRATION CERTIFICATE

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

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

| Date of Registration | Name of Registered Owner | Signature of Bond Registrar |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

ASSIGNMENT

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

_____

(Social Security or Other Identifying Number of Assignee)

_____

(Please Print or Typewrite Name and Address of Assignee)

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

DATED:_____

Signature:_____

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

Signature Guaranteed:

_____

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

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

Zions Bank, a division of
ZB, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

Pursuant to Section 3.3 of the First Supplemental Indenture of Trust dated as of March 1, 2016, you are hereby authorized to pay to the following costs of issuance from the Series 2016 Acquisition/Construction Account:

(See Attached Schedule)

_____
AUTHORIZED REPRESENTATIVE,
LOGAN CITY, UTAH

STATE OF UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY, WATER QUALITY BOARD

By:_____
Its: Manager, Engineering Section

Costs of Issuance

| Payee | Purpose | Amount |
|---|---|---|