

**RICH COUNTY, UTAH  
COUNTY COMMISSIONERS  
May 16, 2018**

RESOLUTION NO. 18-9

A RESOLUTION COVENANTING TO NOT IMPAIR THE MINERAL LEASE REVENUES OF THE RICH SPECIAL SERVICE DISTRICT SO AS TO NEGATIVELY IMPACT SAID DISTRICT'S ABILITY TO REPAY ITS \$1,731,000 MINERAL LEASE REVENUE BONDS, SERIES 2018; AND RELATED MATTERS.

WHEREAS, Rich County, Utah (the "County"), is a political subdivision and body politic duly and regularly created, established, organized, and existing under and by virtue of the Constitution and laws of the State of Utah; and

WHEREAS, the County has previously authorized and directed the creation of the Rich Special Service District, Rich County, Utah (the "District") pursuant to the provisions of a resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the County Commissioners (the "County Commissioners") contained in the Creating Resolution, the District has been duly and regularly created, established, and is organized and existing under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Special Service District Act, Title 17D, Chapter 1, Utah Code Annotated 1953, as amended (the "Act"); and

WHEREAS, under the Creating Resolution, the objects and purposes for which the District has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs in accordance with the procedures and subject to the limitations of the Act and the Utah Local Government Bonding Act, Title 11, Chapter 14 Utah Code Annotated 1953, as amended, in order to accomplish the public purpose for which the District exists; and

WHEREAS, the District desires to finance, in part, the acquisition and construction of road improvements, including reconstruction of a portion of Cisco road, and related improvements (the "Project"); and

WHEREAS, the District does not have the funds on hand to pay the cost of financing the Project; and

WHEREAS, the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, provides that the Administrative Control Board of the District may issue non-voted revenue bonds payable solely from certain federal mineral lease payments which are to be distributed to special service districts, including the District, in accordance with state law; and

WHEREAS, the average annual installments of principal and interest on the Series 2018 Bonds shall not at any one time exceed 80% of the Revenues received by the District during the fiscal year immediately preceding the fiscal year in which the Series 2018 Bonds are authorized and issued; and

WHEREAS, as mineral lease revenue bonds, the Series 2018 Bonds must be repaid within 15 years of their date of issuance.

WHEREAS, the County has previously committed to allocate to the District a portion of the mineral lease revenues which special service districts in the County receive; and

WHEREAS, the State of Utah has covenanted that it will not take actions that will limit or impair the Revenues pledged to repay mineral lease revenue bonds of special service districts; and

WHEREAS, the purchaser of the Series 2018 Bonds desires that the County, like the State of Utah, covenant that the County will not take actions that will limit or impair the Revenues of the District pledged to repay the Series 2018 Bonds; and

WHEREAS, the County acknowledges that such a covenant is desirable to enable the District to market bonds and exercise the powers granted to the District:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONERS OF RICH COUNTY, UTAH AS FOLLOWS:

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution, or the Creating Resolution) by the County Commissioners and by the officers of the County directed toward the creation and establishment of the District and the financing of the Project by the District are hereby ratified, approved and confirmed.

Section 2. In accordance with Section 11-14-308(4), Utah Code Annotated 1953, as amended, Rich County acknowledges that the State of Utah pledges and agrees with the owners of the Series 2018 Bonds that it will not alter, impair or limit the Revenues in a manner that reduces the amounts to be distributed to the District which are devoted or pledged therefore until the Series 2018 Bonds, together with applicable interest, if any, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the holders of the Series 2018 Bonds. In addition, the foregoing pledge and agreement of the State of Utah with respect to the Revenues shall not be construed (a) as a pledge guaranteeing the actual dollar amount ultimately received by the District; (b) to require the Utah Department of Transportation to allocate mineral lease payments in a manner contrary to the method prescribed by law; or (c) to limit the Utah Department of Transportation in making rules or procedures allocating mineral lease payments pursuant to Section 59-21-2(2)(h) Utah Code Annotated 1953, as amended.

Section 3. Similar to the pledge of the State of Utah as set forth in Section 2 above, the County Commissioners of Rich County, Utah hereby pledges and agrees with the owners of the Series 2018 Bonds that it will not alter, impair or limit the Revenues in a manner that reduces the amounts to be distributed to the District which are devoted or pledged therefore until the Series 2018 Bonds, together with applicable interest, if any, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the holders of the Series 2018 Bond. In addition, the foregoing pledge and agreement of Rich County, Utah with respect to the Revenues shall not be construed (a) as a pledge guaranteeing the actual dollar amount ultimately received by the District; (b) to require the Utah Department of Transportation or Rich County, Utah to allocate mineral lease payments in a manner contrary to the method prescribed by law; or (c) to limit the Utah Department of Transportation in making rules or procedures allocating mineral lease payments pursuant to Section 59-21-2(2)(h) Utah Code Annotated 1953, as amended or to limit the County in making rules and procedures allocating mineral lease payments, so long as the Revenues pledged to secure the Series 2018 Bonds are not impaired or limited.

Section 4. The covenant in Section 3 above shall be irrevocable so long as the Series 2018 Bonds of the District are outstanding and are secured by mineral lease revenues.

Section 5. Upon their issuance, the Series 2018 Bonds will constitute special limited obligations of the District payable solely from the Revenues (as defined in the District's Bond Resolution). No provision of this Resolution or any resolution of the District, or the Series 2018 Bonds or any other instrument, shall be construed as creating a general obligation of the District or of creating a general obligation of the County or as incurring or creating a charge upon the general credit of the County or against the taxing powers of the County. The County shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost of making any payment with respect to the Series 2018 Bonds.

Section 6. If any provisions of this Resolution (including the exhibits attached hereto) are held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 7. All regulations, orders and resolutions of the County or parts thereof inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any regulation, order, resolution or ordinance or part thereof.

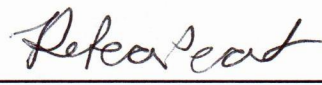
Section 8. The County Clerk/Auditor is directed to complete the attached Record of Proceedings.

Section 9. This Resolution shall become effective immediately upon adoption by the County Commissioners.

ADOPTED BY THE COUNTY COMMISSIONERS OF RICH COUNTY, UTAH  
THIS MAY 16, 2018.

  
Chair

ATTEST AND COUNTERSIGN:

  
County Clerk/Auditor

(SEAL)

RECORD OF PROCEEDINGS

The County Commissioners of Rich County, Utah (the "County Commission") met in public session at their regular meeting place at 20 S. Main, Randolph, Utah, on May 16, 2018 (the "Meeting"), at the hour of 6:30 p.m., or as soon thereafter as feasible, with the following members being present:

William E. Cox	Chair/Commissioner
Norman Weston	Commissioner
Thomas Weston	Commissioner

Also present:

Rebecca Peart	County Clerk/Auditor
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Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters were discussed, the foregoing resolution (the "Resolution") was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by Thomas Weston and seconded by William Cox, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Thomas Weston, William Cox

Those voting NAY:

Those Abstaining:

Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF COUNTY CLERK/AUDITOR

I, Rebecca Peart, the duly appointed and qualified County Clerk/Auditor of the County, do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the County Commissioners at a public meeting duly held on May 16, 2018 (the "Meeting"). The Meeting was called and noticed as required by law as is evidenced by the attached Certificate of Compliance with Open Meeting Law. The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on May 16, 2018 and is officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the County, this May 16, 2018.

(SEAL)



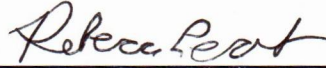
County Clerk/Auditor

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE COUNTY COMMISSION OF RICH COUNTY, STATE OF UTAH:

NOTICE IS HEREBY GIVEN that a special meeting (the "Special Meeting") of the County Commission of Rich County, Utah, will be held at the Commission's regular meeting place at 6:30 p.m., or as soon thereafter as feasible, on Wednesday, May 16, 2018, for the purpose of adopting a Resolution of Non Impairment Covenant, and for the transaction of such other business incidental to the foregoing as may come before the Special Meeting.

(SEAL)



County Clerk/Auditor

ACKNOWLEDGMENT OF NOTICE  
AND CONSENT TO SPECIAL MEETING

We, the Chair and Commissioners of Rich County, Utah, do hereby acknowledge receipt of the foregoing Notice of Special Meeting (the "Notice"), and we hereby waive any and all irregularities, if any, in the Notice and in the manner of service thereof upon us and consent and agree to the holding of the Special Meeting at the time and place specified in the Notice, and to the transaction of any and all business which may come before the Special Meeting.



Chair



Member

Member

Member

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Rebecca Peart, the undersigned Clerk/Auditor of the County, do hereby certify, according to the records of the County in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than 24 hours public notice of the agenda, date, time and place of the May 16, 2018, public meeting held by the County as follows:

(a) By causing a Meeting Notice, in the form attached, to be posted at the principal office of the County at least 24 hours prior to the convening of the meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the geographic jurisdiction of the County at least 24 hours prior to the convening of the meeting.

(c) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least 24 hours prior to the convening of the meeting.

(d) By causing notice of the Meeting to be personally provided to each and every member of the County Commission at least 24 hours prior to the convening of the Meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this May 16, 2018.



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County Clerk/Auditor



(SEAL)

(Attach Meeting Notice, including proof of posting thereof on the Utah Public Notice Website)