

THIRD SUPPLEMENTAL INDENTURE OF TRUST

Dated as of \_\_\_\_\_ 1, 2017

by and between

SANDY CITY, UTAH

and

ZB, NATIONAL ASSOCIATION

Supplementing the General Indenture of Trust  
Dated as of April 1, 2004

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### THIRD SUPPLEMENTAL INDENTURE OF TRUST

This Third Supplemental Indenture of Trust, dated as of \_\_\_\_\_ 1, 2017, by and between Sandy 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 ZB, National Association, a national bank 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”);

#### WITNESSETH:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of April 1, 2004, as heretofore amended and supplemented (the “General Indenture”) with the Trustee; and

WHEREAS in order to (i) finance \_\_\_\_\_ (the “Series 2017 Project”) and (ii) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Water Revenue Bonds, Series 2017 in the aggregate principal amount of \$ \_\_\_\_\_ (the “Series 2017 Bonds”); and

WHEREAS, the Series 2017 Bonds will be authorized, issued and secured under the General Indenture, as amended and supplemented by this Third Supplemental Indenture (the “Third Supplemental Indenture,” and collectively with the General Indenture, and any amendments thereto or hereto, the “Indenture”); and

WHEREAS, the execution and delivery of the Series 2017 Bonds and of this Third Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2017 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Third Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2017 Bonds and all 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 for any Bonds, and of all Reserve Instrument Providers of Reserve Instruments 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, 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 Third 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 ZB, National Association, as Trustee, its successors and 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 Third 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, with respect to the Series 2017 Bonds, the date of their initial delivery.

“Interest Payment Date” means, with respect to the Series 2017 Bonds, each May 15 and November 15 commencing \_\_\_\_\_.

“Register” means the record of ownership of the Series 2017 Bonds maintained by the Registrar.

“Series 2017 Bonds” means the Water Revenue Bonds, Series 2017, herein authorized.

“Series 2017 Cost of Issuance Account” means the account established under this Supplemental Indenture and held in trust by the Trustee, into which a portion of the proceeds of the Series 2017 Bonds shall be deposited as provided herein.

“Series 2017 Debt Service Reserve Requirement” means \$-0- with respect to the Series 2017 Bonds.

“Series 2017 Project” means \_\_\_\_\_.

“Underwriter” means \_\_\_\_\_.

ARTICLE II

ISSUANCE OF THE SERIES 2017 BONDS

Section 2.1 Principal Amount, Designation and Series. The Series 2017 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Series 2017 Project and (ii) finance the costs of issuance of the Series 2017 Bonds. The Series 2017 Bonds shall be limited to \$\_\_\_\_\_ in aggregate principal amount, shall be issued in fully registered form, shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof, and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Series 2017 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, “Water Revenue Bonds, Series 2017.”

Section 2.2 Date, Maturities and Interest. The Series 2017 Bonds shall be dated as of the Dated Date, and shall mature on the dates and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their dated date or unless, as shown by the records of the Trustee, interest on the Series 2017 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their dated date, payable on each Interest Payment Date at the rates per annum as set forth below:

| <u>Maturity</u><br><u>(November 15)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|---|-------------------------|----------------------|
|---|-------------------------|----------------------|

Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3 Redemption. The Series 2017 Bonds maturing on or prior to \_\_\_\_\_ are not subject to redemption prior to maturity. The Series 2017 Bonds maturing on and after \_\_\_\_\_ are subject to redemption prior to maturity at the option of the Issuer, in such order of maturity as may be selected by the Issuer, in whole or in part on any day on and after \_\_\_\_\_, at a redemption price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed plus accrued interest to the date of redemption.

Section 2.4 Execution of Bonds. The Mayor is hereby authorized to execute by facsimile or manual signature the Series 2017 Bonds and the City Recorder to countersign by facsimile or manual signature the Series 2017 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2017 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2017 Bonds.

Section 2.5 Delivery of Bonds. It is hereby determined that the Series 2017 Bonds shall be authenticated and delivered to the Underwriter thereof on such date upon which the Issuer and the Underwriter shall mutually agree, upon payment of the purchase price thereof.

Section 2.6 Designation of Registrar. ZB, National Association, One South Main Street, 12th Floor, Salt Lake City, Utah is hereby designated as Registrar for the Series 2017 Bonds, acceptance of which appointment shall be evidenced by execution of this Third Supplemental Indenture by the Registrar.

Section 2.7 Designation of Paying Agent. ZB, National Association, One South Main Street, 12th Floor, Salt Lake City, Utah, is hereby designated as Paying Agent for the Series 2017 Bonds, acceptance of which appointment shall be evidenced by execution of this Third Supplemental Indenture from the Paying Agent.

Section 2.8 Limited Obligation. The Series 2017 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 2017 Bond proceeds or other funds created hereunder or under the Indenture or the income from the temporary investment thereof).

Section 2.9 Book-Entry System; Limited Obligation of Issuer.

(a) Except as provided in Sections 2.9(b) and 2.9(c), the Registered Owner of all Series 2017 Bonds shall be, and the Series 2017 Bonds shall be registered in the name of Cede & Co. (“Cede”), as nominee of The Depository Trust Company, New York, New York (together with any substitute securities depository appointed pursuant to Section 2.9(c)(ii), “DTC”). Payment of the interest on any Series 2017 Bond shall be made in accordance with the provisions of this Third Supplemental Indenture to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Registrar.

(b) The Series 2017 Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Series 2017 Bonds. Upon initial issuance, the ownership of each such Series 2017 Bond shall be registered in the registration books of the Issuer kept by the Registrar, in the name of Cede, as nominee of DTC. With respect to Series 2017 Bonds so registered in the name of Cede, the Issuer, the Registrar and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of any of such Series 2017 Bonds. Without limiting the immediately preceding sentence, the Issuer, the Registrar and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series 2017 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2017 Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, any of the Series 2017 Bonds. The Issuer, the Registrar and any Paying Agent may treat DTC as, and deem DTC to be, the absolute owner of each Series 2017 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each such Bond, (2) giving notices of redemption and other matters with respect to such Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2017 Bonds are registered in the name of Cede & Co., the Paying Agent shall pay the principal or redemption price of, and interest on, all Series 2017 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Issuer's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in paragraph (c) of this Section 2.9, no person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal or redemption price of, and interest on, any such Bond pursuant to this Third Supplemental Indenture. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Indenture, the word "Cede" in this Third Supplemental Indenture shall refer to such new nominee of DTC.

Except as provided in Section 2.9(c)(iii), and notwithstanding any other provisions of this Third Supplemental Indenture, the Series 2017 Bonds may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

(c) (i) DTC may determine to discontinue providing its services with respect to the Series 2017 Bonds at any time by giving written notice to the Issuer, the Registrar, and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Series 2017 Bonds under applicable law.



(ii) The Issuer, in its sole discretion and without the consent of any other person, may, by notice to the Registrar, terminate the services of DTC with respect to the Series 2017 Bonds if the Issuer determines that the continuation of the system of book-entry-only transfers through DTC is not in the best interests of the beneficial owners of the Series 2017 Bonds or the Issuer; and the Issuer shall, by notice to the Registrar, terminate the services of DTC with respect to the Series 2017 Bonds upon receipt by the Issuer, the Registrar, and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Series 2017 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2017 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2017 Bonds be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owners of the Series 2017 Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2017 Bonds pursuant to Section 2.9(c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to Section 2.9(c) or Section 2.9(c)(ii)(1) hereof the Issuer may within 90 days thereafter appoint a substitute securities depository which, in the opinion of the Issuer, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Series 2017 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. In such event, the Issuer shall execute and the Registrar shall authenticate Series 2017 Bond certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interest in the Series 2017 Bonds.

(iv) Notwithstanding any other provision of this Third Supplemental Indenture to the contrary, so long as any Series 2017 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, to DTC.

(v) In connection with any notice or other communication to be provided to Holders of Series 2017 Bonds registered in the name of Cede pursuant to this Third Supplemental Indenture by the Issuer or the Registrar with respect to any consent or other action to be taken by such Holders, the Issuer shall establish a record date for such consent or other action by such

Holders and give DTC notice of such record date not less than fifteen (15) days in advance of such record date to the extent possible.

Section 2.10 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 2017 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 2.11 Series 2017 Bonds as Additional Bonds. The Series 2017 Bonds are issued as Additional Bonds under the Indenture. The Issuer hereby certifies that the requirements set forth in Section 2.13 of the General Indenture have been and will be complied with in connection with the issuance of the Series 2017 Bonds, as follows:

(a) No Event of Default has occurred and is continuing under the Indenture on the date of authentication of the Series 2017 Bonds; and

(b) A certificate has been delivered to the Trustee by an Authorized Representative to the effect that the Net Revenues for any Year in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 110% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds Outstanding for said Year; and

(c) The Issuer has delivered to the Trustee a certificate from a Qualified Engineer (i) setting forth the Estimated Net Revenues as herein described (assuming, if applicable, the completion of the Project, or any portion thereof, financed with proceeds of the Additional Bonds) either: (A) for each of the two Bond Fund Years succeeding the latest estimated date of completion of the Project, or any portion thereof, if proceeds of the Additional Bonds are used to fund interest during the construction period, or (B) if (A) is not the case, for the then current Bond Fund Year and each succeeding Bond Fund Year to and including the second Bond Fund Year succeeding the latest estimated date of completion of the Project, or any portion thereof; and (ii) verifying that the Estimated Net Revenues as shown in (i) above for each of such Bond Fund Years are not less than 110% of the Aggregate Annual Debt Service Requirement for each of such Bond Fund Years with respect to all of the Bond and Additional Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Additional Bonds so proposed to be issued; and

(d) All payments required by the Indenture to be made into the Bond Fund have been made in full, and there is on deposit in each account of the Debt

Service Reserve Fund (taking into account any Reserve Instrument coverage) the full amount required to be accumulated therein at the time of issuance of the Series 2017 Bonds; and

(e) The proceeds of the Series 2017 Bonds will be used to finance a Project (including the funding of necessary reserves and the payment of costs of issuance).

## ARTICLE III

### APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1 Application of Proceeds of the Series 2017 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2017 Bonds (representing the principal amount of the Series 2017 Bonds, plus a net reoffering premium of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_) and the Trustee shall deposit such proceeds as follows:

(a) \$\_\_\_\_\_ into the Series 2017 Construction Account; and

(b) the remaining amount shall be deposited into the Series 2017 Cost of Issuance Account to be held by the Trustee under this Supplemental Indenture and to be used to pay costs of issuance of the Series 2017 Bonds.

Section 3.2 Creation of Series 2017 Accounts. There is hereby established with the Trustee a Series 2017 Construction Account and a Series 2017 Costs of Issuance Account.

Section 3.3 [No Debt Service Reserve Requirement for the Series 2017 Bonds]. There is no debt service reserve requirement for the Series 2017 Bonds.]

Section 3.4 Payment of Costs of Issuance. Costs of issuance shall be paid by the Trustee from the Series 2017 Cost of Issuance Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request in substantially the form of Exhibit B attached hereto. Any unexpended balance remaining in the Series 2017 Cost of Issuance Account 30 days after delivery of the Series 2017 Bonds shall be paid to the Issuer for payment of its additional costs of issuance.

## ARTICLE IV

### MISCELLANEOUS

Section 4.1 Confirmation of General Indenture. As supplemented by this Third Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture, and this Third 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 Third Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

Section 4.2 Confirmation of Sale of Series 2017 Bonds. The sale of the Series 2017 Bonds to the Underwriter at a price of \$\_\_\_\_\_ (the total principal amount of the Series 2017 Bonds plus a net reoffering premium of \$\_\_\_\_\_, less an Underwriter's discount in the amount of \$\_\_\_\_\_), is hereby ratified, confirmed and approved.

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

SANDY CITY, UTAH

(SEAL)

By: \_\_\_\_\_  
Mayor

COUNTERSIGN:

By: \_\_\_\_\_  
City Recorder

ZB, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A

(FORM OF SERIES 2017 BOND)

Unless this certificate is presented by an authorized representative of the Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA  
STATE OF UTAH  
SANDY CITY, UTAH  
WATER REVENUE BOND  
SERIES 2017

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

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Issue Date</u> | <u>CUSIP</u> |
|----------------------|----------------------|----------------------------|--------------|
|                      | November 15, ____    |                            | 800280 ____  |

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ DOLLARS

Sandy 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 on the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on May 15 and November 15 of each year commencing \_\_\_\_\_ (each an “Interest Payment Date”) until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the principal offices of ZB, National Association, Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah 84133 (“Trustee” and “Paying Agent”) or its successors. 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.

This Bond is one of an issue of Bonds of the Issuer designated as the “Water Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) in the aggregate principal amount of \$\_\_\_\_\_, 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 dated as of April 1, 2004, as previously amended and supplemented (the “General Indenture”), as further amended and supplemented by a Third Supplemental Indenture of Trust dated as of \_\_\_\_\_ 1, 2017 (collectively with the General Indenture, the “Indenture”) and a resolution adopted on March 7, 2017 (the “Bond Resolution”), for the purpose of (i) financing \_\_\_\_\_ 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 “Sandy City, Utah Water 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 water system (the “System”) all as more fully described and provided in the Indenture.

Pursuant to the Indenture, the Issuer has previously issued its Water Revenue Refunding Bonds, Series 2012 (the “Series 2012 Bonds”) and the Series 2017 Bonds are issued on a parity with the Series 2012 Bonds. 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 2012 Bonds and Series 2017 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.

As more fully provided in the Indenture, the Series 2017 Bonds shall be payable only from the Net Revenues 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.

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 2017 Bonds, the terms upon which the Series 2017 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 initially issued Bonds and on all Series 2017 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Original Issue Date specified above. Interest on the Series 2017 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 2017 Bonds shall be in default, interest on the Series 2017 Bonds issued in exchange for Series 2017 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2017 Bonds surrendered.

The Bonds are subject to redemption prior to maturity upon the terms and 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 principal corporate offices 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 Issuer nor 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, 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 upon the issuance of the Series 2017 Bonds the Net Revenues of the Issuer will not have been 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.

(SEAL)

\_\_\_\_\_  
(facsimile or manual signature)  
Mayor

COUNTERSIGN:

\_\_\_\_\_  
(facsimile or manual signature)  
City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Water Revenue Bonds, Series 2017 of Sandy City, Utah.

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).

## ABBREVIATIONS

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

TEN COM – as tenants in common  
TEN ENT – as tenants by the entirety  
JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT \_\_\_\_\_  
(Cust.)

Custodian for \_\_\_\_\_  
(Minor)

under Uniform Gifts to Minors Act of \_\_\_\_\_  
(State)

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

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

ZB, National Association  
Corporate Trust Department  
One South Main Street, 12th Floor  
Salt Lake City, Utah 84133

Pursuant to Section 3.4 of the Third Supplemental Indenture of Trust dated as of \_\_\_\_\_ 1, 2017, you are hereby authorized to pay to the following costs of issuance from the Series 2017 Costs of Issuance Account:

[See Attached Schedule]

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MAYOR  
SANDY CITY, UTAH

COSTS OF ISSUANCE

| <u>Payee</u> | <u>Purpose</u> | <u>Amount</u> |
|--------------|----------------|---------------|
|--------------|----------------|---------------|