

CACHE COUNTY COUNCIL MEETING

February 21, 2007

The Cache County Council convened in a special session on February 21, 2007 in the Cache County Council Chamber at 199 North Main, Logan, Utah.

ATTENDANCE:

Chairman: Darrel Gibbons
Vice Chairman: **John Hansen, absent.**
Council Members: Brian Chambers, H. Craig Petersen, Cory Yeates. **Kathy Robison, Gordon Zilles absent.**
County Executive: M. Lynn Lemon
County Clerk: Jill N. Zollinger

The following individuals were also in attendance: Ryan Bjerke, Alex Buxton, Kassie Fullmer, Blaire Heaps, Tanya Haymes, Sharon L. Hoth, Joshua Openshaw, Pat Parker.

CALL TO ORDER

Chairman Gibbons called the meeting to order at 4:30 p.m.

OPENING REMARKS

The opening remarks were given by Council member Petersen.

REVIEW AND APPROVAL OF AGENDA

ACTION: Motion by Council member Yeates to approve the agenda as written. Petersen seconded the motion. The vote was unanimous, 4-0-3. Hansen, Robison & Zilles absent.

ITEMS FOR ACTION

- **Resolution No. 2007-02 - A resolution authorizing the issuance and confirming the sale of up to \$8,000,000.00 aggregate principal amount of Sales Tax Revenue Refunding Bonds, Series 2007 of the County; authorizing the execution and delivery of certain documents relating to such bonds; and providing for related matters.** - Chairman Gibbons explained that the bonds acquired for the construction of the jail were sold today and the Council's action is to authorize and confirm the sale of the bonds.

Alex Buxton, from Zions Bank Public Finance, told the Council that the sale of the bonds resulted in a net of all costs savings of \$230,000.00 to the county and a new insurance provider has cut the insurance premiums over 50%. Buxton introduced Ryan Bjerke, bonding attorney from the firm of Chapman and Cutler, who recommended changing the ten-year call date to a nine-year call date which provides a possible tax benefit to the county as well.

(Attachment 1)

Cache County Council Meeting
02-21-2007

ACTION: Motion by Council member Yeates to approve Resolution No. 2007-02-resolution authorizing the issuance and confirming the sale of up to \$8,000,000.00 aggregate principal amount of Sales Tax Revenue Refunding Bonds, Series 2007 of the County; authorizing the execution and delivery of certain documents relating to such bonds; and providing for related matters. Petersen seconded the motion. The vote was unanimous, 4-0-3. Hansen, Robison & Zilles absent.

ADJOURNMENT

The Council meeting adjourned at 4:50 p.m.

ATTEST: Jill N. Zollinger
County Clerk

APPROVAL: Darrel Gibbons
Council Chairman

RESOLUTION NO. 2007-02

A RESOLUTION AUTHORIZING THE ISSUANCE AND CONFIRMING THE SALE OF \$7,580,000 CACHE COUNTY, UTAH, SALES TAX REVENUE REFUNDING BONDS, SERIES 2007, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING SALES TAX REVENUE BONDS OF THE COUNTY; AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL INDENTURE OF TRUST TO SECURE SAID SERIES 2007 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY FOR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

*** *** ***

WHEREAS, Cache County, Utah (the "*County*") is a duly organized and existing county, operating under the general laws of the State of Utah;

WHEREAS, the County considers it necessary and desirable and for the benefit of the County to issue its sales tax revenue bonds as hereinafter provided for the purpose of (a) refinancing all or a portion of the County's currently outstanding Sales Tax Revenue Bonds, Series 2002 (the "*Refunded Bonds*"), (b) funding any necessary reserves and contingencies in connection with the Series 2007 Bonds (as defined below) and (c) paying all related costs authorized by law pursuant to authority contained in the Utah Refunding Bond Act, Chapter 27 of Title 11 (the "*Act*"), of the Utah Code Annotated 1953, as amended (the "*Utah Code*") and other applicable provisions of law;

WHEREAS, for the purposes set forth above, the County has determined (a) to issue its Sales Tax Revenue Refunding Bonds, Series 2007, in the aggregate principal amount of \$7,580,000 (the "*Series 2007 Bonds*") pursuant to the General Indenture of Trust, dated as of

June 1, 2002, as amended and supplemented to the date hereof (the "*General Indenture*"), and a Third Supplemental Indenture of Trust, dated as of March 1, 2007 (the "*Third Supplemental Indenture*"), each between the County and U.S. Bank, N.A., as trustee (the "*Trustee*") (the General Indenture and Third Supplemental Indenture are sometimes collectively referred to hereinafter as the "*Indenture*"), and (b) to cause the proceeds of the sale of the Series 2007 Bonds to be applied in accordance with the Indenture;

WHEREAS, in connection with the issuance of the Refunded Bonds and in accordance with the then applicable Section 11-14-17.5 of the Utah Code, the County, following due, legal and timely notice, held a public hearing on May 14, 2002;

WHEREAS, the County is authorized by the Utah Code to refund the Refunded Bonds, to enter into the Third Supplemental Indenture, and to issue the Series 2007 Bonds to finance all of the costs of refunding the Refunded Bonds, to fund any necessary reserves and to pay all related costs authorized by law;

WHEREAS, the County has made arrangements for the purchase of the Series 2007 Bonds and the refunding of the Refunded Bonds at favorable interest rates;

WHEREAS, the form of an Escrow Agreement, dated as of March 1, 2007 (the "*Escrow Agreement*"), between the County and U.S. Bank, N.A., as escrow agent, has been prepared and distributed to the County, and the County desires to authorize the execution and delivery thereof by the County Executive and the countersignature and attestation thereof by the County Clerk;

WHEREAS, the County Council of the County adopted a resolution on December 12, 2006 (the "*Parameters Resolution*"), approving the issuance of the Series 2007 Bonds, calling for the

publication of a "*Notice of Refunding Bonds to be Issued*" and setting certain parameters for the Series 2007 Bonds;

WHEREAS, the *Notice of Refunding Bonds to be Issued* was published pursuant to the Parameters Resolution and the Act on December 15, 2006, in *The Herald Journal*, a newspaper published in the County and having general circulation in the County;

WHEREAS, no action contesting the legality of the Series 2007 Bonds was filed within 30 days after December 15, 2006, as permitted by Section 11-27-4 of the Utah Code; and

WHEREAS, in connection with the issuance of the Series 2007 Bonds, XL Capital Assurance Inc. (the "*Bond Insurer*") has issued its Commitment to Issue a Financial Guaranty Insurance Policy, dated January 29, 2007 (the "*Commitment*") to issue an Insurance Policy (the "*Insurance Policy*") with respect to the Series 2007 Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CACHE COUNTY, UTAH, AS FOLLOWS:

Section 1. Issuance of Bonds. (a) For the purposes set forth above, there is hereby authorized and directed the execution, issuance, sale and delivery of the Series 2007 Bonds in the aggregate principal amount of \$7,580,000. The Series 2007 Bonds shall be dated as of the date of the initial delivery thereof, and shall mature on the dates and in the principal amounts and shall bear interest from the date of delivery thereof, payable on June 15 and December 15 in each year commencing June 15, 2007, of the interest rates per annum, as shown below:

<u>DECEMBER 15 OF THE YEAR</u>	<u>AMOUNT MATURING</u>	<u>INTEREST RATE</u>
2007	\$ 105,000	4.50%
2008	35,000	4.50
2009	35,000	4.50
2010	35,000	4.25
2011	35,000	4.25
2012	40,000	4.25
2013	40,000	4.25
2014	40,000	4.25
2015	780,000	4.00
2016	815,000	4.00
2017	845,000	4.00
2018	885,000	4.00
2019	920,000	4.00
2020	950,000	4.00
2021	990,000	4.05
2022	1,030,000	4.05

The Series 2007 Bonds shall be in authorized denominations, shall be payable, and shall be executed and delivered all as provided in the Indenture. The Series 2007 Bonds shall be subject to redemption prior to maturity as provided in the Third Supplemental Indenture.

(b) The form of the Series 2007 Bonds set forth in the Third Supplemental Indenture, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture, is hereby approved.

(c) The Series 2007 Bonds shall be special obligations of the County, payable from and secured by a pledge and assignment of the Revenues (as defined in the Indenture) received by the County and of certain other moneys held under the Indenture on a parity with any other Bonds (as defined in the Indenture) issued from time to time under the General Indenture, including, but not limited to (i) any of the County's remaining Sales Tax Revenue Bonds, Series 2002, and (ii) the County's Sales Tax Revenue Bonds, Series 2003. The Series 2007 Bonds shall

not be obligations of the State of Utah or any other political subdivision thereof, other than the County, and neither the faith and credit nor the ad valorem taxing or appropriation power of the State of Utah or any political subdivision thereof, including the County, is pledged to the payment of the Series 2007 Bonds. The Series 2007 Bonds shall not constitute general obligations of the County or any other entity or body, municipal, state or otherwise.

Section 2. Approval and Execution of the Third Supplemental Indenture. The Third Supplemental Indenture, in substantially the form attached hereto as *Exhibit A*, is hereby authorized and approved, and the County Executive is hereby authorized, empowered and directed to execute and deliver the Third Supplemental Indenture on behalf of the County, and the County Clerk is hereby authorized, empowered and directed to affix to the Third Supplemental Indenture the seal of the County, to attest and countersign the Third Supplemental Indenture, with such changes to the Third Supplemental Indenture from the form attached hereto as are approved by the County Executive, his execution thereof to constitute conclusive evidence of such approval. The provisions of the Third Supplemental Indenture, as executed and delivered, are hereby incorporated in and made a part of this resolution. The General Indenture and the Third Supplemental Indenture shall constitute a "system of registration" for all purposes of the Registered Public Obligations Act of Utah.

Section 3. Sale of the Series 2007 Bonds; Purchase Contract. The Series 2007 Bonds authorized to be issued herein are hereby sold and delivered to Zions Bank Public Finance, as underwriter (the "*Underwriter*"), upon the terms and conditions set forth in the Bond Purchase Agreement, dated February 21, 2007 (the "*Purchase Contract*"). The County

Executive is hereby authorized, empowered and directed to execute and deliver the Purchase Contract on behalf of the County in substantially the form attached hereto as *Exhibit B*, with such changes therein from the form attached hereto as are approved by the County Executive, his execution thereof to constitute conclusive evidence of such approval. The County Clerk is hereby authorized, empowered and directed to affix to the Purchase Contract the seal of the County and to attest and countersign the Purchase Contract.

Section 4. Approval of Official Statement. The final Official Statement of the County for the sale of the Series 2007 Bonds, in substantially the form attached hereto as *Exhibit C*, with such changes, omissions, insertions and revisions as the County Executive shall approve is hereby authorized, and the County Executive shall sign and deliver such final Official Statement to the Underwriter for distribution to the purchasers of the Series 2007 Bonds and other interested persons, his execution thereof to constitute conclusive evidence of such approval. The use of the Preliminary Official Statement, dated February 7, 2007, by the Underwriter in connection with the offering of the Series 2007 Bonds is hereby acknowledged, approved and ratified.

Section 5. Approval of Escrow Agreement. The Escrow Agreement, in substantially the form set forth as *Exhibit D* hereto, is hereby authorized and approved and the County Executive is hereby authorized, empowered and directed to execute and deliver the Escrow Agreement on behalf of the County, and the County Clerk is hereby authorized, empowered and directed to affix to the Escrow Agreement the seal of the County, to attest and countersign the Escrow Agreement, with such changes to the Escrow Agreement from the form

attached hereto as are approved by the County Executive, his execution thereof to constitute conclusive evidence of such approval.

Section 6. Other Documents Related to the Bonds. The Commitment of the Bond Insurer, in the form attached as *Exhibit E* hereto, to issue the Insurance Policy is hereby accepted and approved.

Section 7. Other Certificates and Documents Required to Evidence Compliance with Federal Tax and Securities Laws. Each of the County Executive, the County Recorder and the County Treasurer is hereby authorized and directed to execute (a) such certificates and documents as are required to evidence compliance with the federal laws relating to the tax-exempt status of interest on the Series 2007 Bonds and (b) a Continuing Disclosure Undertaking, in substantially the form attached hereto as *Exhibit F*, and such other certificates and documents as shall be necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission and other applicable federal securities laws.

Section 8. Other Actions With Respect to the Series 2007 Bonds. The officers and employees of the County shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2007 Bonds and the refunding of the Refunded Bonds, including, without limitation, the execution and delivery of an escrow agreement and the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2007 Bonds and the refunding of the Refunded Bonds. If (a) the County Executive or (b) the County Clerk shall be unavailable

or unable to execute or attest and countersign, respectively, the Series 2007 Bonds or the other documents that they are hereby authorized to execute, attest and countersign the same may be executed, or attested and countersigned, respectively, (i) by the Chairman of the County Council or (ii) by any Assisted or Deputy County Clerk. Without limiting the generality of the foregoing, the officers and employees of the County are authorized and directed to take such action as shall be necessary and appropriate to issue the Series 2007 Bonds.

Section 9. Authorization of Redemption Prior to Maturity of Refunded Bonds. The Refunded Bonds are hereby irrevocably called for redemption on December 15, 2012, at the redemption price of one hundred percent (100%) of the principal amount of each such Refunded Bond so called for redemption plus accrued interest thereon to the date fixed for redemption. Notice of such redemption shall be given as provided in the Indenture and in accordance with the provisions of the Escrow Agreement.

Section 10. Prior Acts Ratified, Approved and Confirmed. All acts of the officers and employees of the County in connection with the issuance of the Series 2007 Bonds are hereby ratified, approved and confirmed.

Section 11. Resolution Irrepealable. Following the execution and delivery of the Third Supplemental Indenture, this resolution shall be and remain irrepealable until the Series 2007 Bonds and the interest thereon shall have been fully paid, cancelled, and discharged.

Section 12. Severability. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or

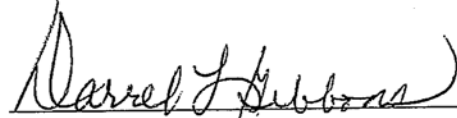
unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 13. Effective Date. This resolution shall be effective immediately upon its approval and adoption.

(Signature page follows.)

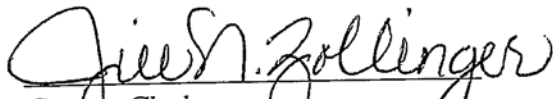
ADOPTED AND APPROVED by the County Council of Cache County, Utah, this 21st day
of February, 2007.

CACHE COUNTY,
STATE OF UTAH



Chairman, Darrel L. Gibbons
Cache County Council

ATTEST:


County Clerk, JILL N. Zollinger