
HYRUM CITY, CACHE COUNTY, UTAH

RESOLUTION 10-10

**SUPPLEMENTAL RESOLUTION
AUTHORIZING THE ISSUANCE AND SALE OF \$1,608,000
SALES TAX REVENUE REFUNDING BONDS,
SERIES 2010**

ADOPTED JULY 1, 2010

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RESOLUTION 10-10

SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE AND CONFIRMING THE SALE OF \$1,608,000 SALES TAX REVENUE REFUNDING BONDS, SERIES 2010, OF HYRUM CITY, CACHE COUNTY, UTAH; AND RELATED MATTERS.

WHEREAS, on June 15, 2006, the City Council (the “*Council*”) of Hyrum City, Cache County, Utah (the “*Issuer*”), adopted a resolution entitled “Resolution Providing for the Issuance of Sales Tax Revenue Bonds” (the “*Master Resolution*”);

WHEREAS, the Council deems it advisable and in the interests of the Issuer to provide for the issuance and sale by the Issuer of \$1,608,000 Sales Tax Revenue Refunding Bonds, Series 2010 (the “*Series 2010 Bonds*”) in order to (a) refund all of the Issuer’s currently outstanding Sales Tax Revenue Bonds, Series 2006 (the “*Refunded Bonds*”) and (b) pay costs incurred in connection with the issuance and sale of the Series 2010 Bonds; and

WHEREAS, the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, authorizes the issuance of refunding bonds to refund outstanding bonds issued by the Issuer;

NOW, THEREFORE, Be It Resolved by the City Council of Hyrum City, Cache County, Utah, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions.

(a) Except as provided in subparagraph (b) of this Section, all defined terms contained in the Resolution when used in this Series 2010 Supplemental Resolution shall have the same meanings as set forth in the Master Resolution.

(b) As used in this Series 2010 Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“*Adjusted Interest Rate*” means the Index Rate plus 165 basis points (rounded to the nearest one-hundredth of one percent).

“*Bond Counsel*” means Chapman and Cutler LLP, or other counsel of nationally recognized standing in matters pertaining to the issuance of obligations by states and their

political subdivisions and the tax-exempt status thereof, duly admitted to the practice of law before the highest court of any state of the United States.

“Bond Purchase Agreement” means that certain Bond Purchase Agreement dated July 1, 2010 between the Issuer and the Purchaser, pursuant to which the Series 2010 Bonds are to be sold by the Issuer to the Purchaser.

“Index Rate” means a rate per annum which equals the five-year bullet Advance Fixed Rate quoted on the last Business Day that is at least fifteen (15) days prior to the Adjustment Date by the Seattle Federal Home Loan Bank on its website (currently www.fhlbsea.com) or by such other distribution method the Seattle Federal Home Loan Bank should utilize, or if the Seattle Federal Home Loan Bank shall ever cease to publish such five-year bullet Advance Fixed Rates, then the *“Index Rate”* shall mean the rate per annum which equals the five-year Swap Rates Benchmark Rate plus the five-year Ask Swap Spread as quoted on Bloomberg *“SWDF.”*

“Interest Rate Adjustment Date” means each date on which the interest rate on the Series 2010 Term Bond shall be adjusted to the Adjusted Interest Rate, being June 15 of the years 2015, 2020 and 2025.

“Issue Date” means the date of issuance and delivery of the Series 2010 Bonds, as provided in Section 203 hereof.

“Maximum Interest Rate” means eighteen percent per annum.

“Purchaser” means Zions First National Bank, as purchaser of the Series 2010 Bonds.

“Record Date” means, with respect to any interest payment date for the Series 2010 Bonds, the first day of the calendar month during which such interest payment date falls or, if such day is not a Business Day, the Business Day immediately preceding such day.

“Redemption Date” means the date of redemption of the Refunded Bonds, being the Issue Date.

“Refunded Bonds” means all of the Issuer’s currently outstanding Series 2006 Bonds.

“Resolution” means the Resolution Providing for the Issuance of Sales Tax Revenue Bonds, adopted by the Council on June 15, 2006, as from time to time amended or supplemented by Supplemental Resolutions, including this Series 2010 Supplemental Resolution.

“Series 2010 Bonds” means the \$1,608,000 Sales Tax Revenue Refunding Bonds, Series 2010 of the Issuer authorized by this Series 2010 Supplemental Resolution.

“Series 2010 Costs of Issuance Fund” means the fund established pursuant to Section 5.02 of the Resolution and Section 301 hereof.

“Series 2010 Debt Service Reserve Requirement” means (a) so long as the Revenues (as shown in the audited financial statements of the Issuer filed with the Trustee as provided in Section 6.06(b) of the Resolution) for the most recent Fiscal Year for which such audited financial statements are available shall be equal to or greater than 200% of the Aggregate Debt Service for such Fiscal Year, \$ -0- and (b) on and after any date on which such Revenues shall be less than 200% of Aggregate Debt Service for such Fiscal Year, the least of (i) 10% of the principal amount of the Series 2010 Bonds, (ii) the maximum annual Debt Service of the Series 2010 Bonds and (iii) 125% of the average annual Debt Service of the Series 2010 Bonds, calculated as of the date of availability to the Issuer of such financial statements and on any date thereafter on which a portion of the Series 2010 Bonds is refunded or defeased and deemed no longer Outstanding under Article XI of the Resolution, as applicable.

“Series 2010 Debt Service Reserve Subaccount” means the Series Subaccount established in the Debt Service Reserve Account in the Bond Fund pursuant to Section 5.02 of the Resolution and Section 303 hereof.

“Series 2010 Debt Service Subaccount” means the Series Subaccount established in the Debt Service Account in the Bond Fund pursuant to Section 5.02 of the Resolution and Section 302 hereof.

“Series 2010 Supplemental Resolution” means this Supplemental Resolution of the Issuer.

“Series 2010 Term Bonds” means the Series 2010 Bonds maturing on June 15, 2026.

“Tax Exemption Certificate” means any agreement or certificate of the Issuer executed in order to assure the exclusion from gross income of interest received on the Series 2010 Bonds by the holders thereof.

“Trustee” means Zions First National Bank, of Salt Lake City, Utah, and its successors and permitted assigns under the Resolution.

The terms *“hereby”*, *“hereof”*, *“hereto”*, *“herein”*, *“hereunder”*, and any similar terms as used in this Series 2010 Supplemental Resolution, refer to this Series 2010 Supplemental Resolution.

Section 102. Authority for Series 2010 Supplemental Resolution. This Series 2010 Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2010 BONDS

Section 201. Authorization of Series 2010 Bonds, Principal Amount, Designation and Series. A Series of Sales Tax Revenue Bonds is hereby authorized to be issued for the purpose

specified in Section 202 in the aggregate principal amount of \$1,608,000 in accordance with and subject to the terms, conditions and limitations established in the Master Resolution and this Series 2010 Supplemental Resolution. Such Series of Bonds shall be designated “*Sales Tax Revenue Refunding Bonds, Series 2010.*”

Section 202. Findings and Purpose. The Issuer hereby finds, determines and declares that:

(a) The requirements of Sections 2.02 and 2.04 of the Master Resolution will have been complied with upon the delivery of the Series 2010 Bonds.

(b) The Series 2010 Bonds are being issued for the purpose of (i) refunding the Refunded Bonds and (ii) paying all expenses properly incident thereto and to the issuance of the Series 2010 Bonds.

Section 203. Issue Date. The Issue Date of Series 2010 Bonds shall be the date of issuance and delivery thereof.

Section 204. Series 2010 Bonds. The Series 2010 Bonds shall mature on June 15 of the years and in the amounts, and shall bear interest from the Issue Date, payable semiannually on June 15 and December 15 in each year, commencing December 15, 2010, at the rates, as follows:

JUNE 15 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
2011	\$ 79,000	2.99%
2012	77,000	2.99
2013	80,000	3.30
2014	82,000	3.59
2015	85,000	3.84
2016	88,000	4.05
2017	92,000	4.21
2018	95,000	4.44
2019	100,000	4.71
2020	105,000	4.86
2026	<u>725,000</u>	3.84*
TOTAL	<u>\$1,608,000</u>	

* Initial interest rate; to be reset to the Adjusted Interest Rate on each Interest Rate Adjustment Date as described below.

The Series 2010 Bonds shall bear interest from their date of original issuance and delivery at the interest rates per annum as specified above; *provided* that on each Interest Rate Adjustment Date the interest rate on the Series 2010 Term Bonds shall be changed to equal the Adjusted Interest Rate. On the last Business Day which is at least fifteen (15) days prior to each

Interest Rate Adjustment Date, the Trustee shall calculate the Adjusted Interest Rate for the Series 2010 Term Bonds. Each Adjusted Interest Rate shall be effective from and including the Interest Rate Adjustment Date next succeeding the calculation date to the day next preceding the next Interest Rate Adjustment Date or the maturity date, as applicable.

The Trustee shall give written notice by electronic or facsimile transmission to the Issuer and the Bondholders of the Adjusted Interest Rate so calculated. Each Adjusted Interest Rate calculated by the Trustee in accordance with the foregoing provisions shall be conclusive and binding upon the Issuer and the Owners of the Series 2010 Term Bonds.

The Series 2010 Term Bonds are subject to the redemption in part by operation of Sinking Fund Installments pursuant to the provisions of Section 207 hereof.

Section 205. Denominations and Numbers. The Series 2010 Bonds shall be issued only in fully-registered form, without coupons, in the denomination of \$100,000 or any integral multiple thereof. The Series 2010 Bonds shall be numbered from one (1) consecutively upwards in order of authentication and delivery by the Trustee.

Section 206. Paying Agent. Zions First National Bank, of Salt Lake City, Utah, is hereby appointed the Paying Agent for the Series 2010 Bonds, subject to the Paying Agent executing and delivering an acceptance to the Issuer and the Trustee as contemplated in Section 7.02 of the Resolution. Principal and Redemption Price of the Series 2010 Bonds shall be payable at the principal corporate trust office of the Paying Agent or of any successor as Paying Agent 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. Payment of interest on any Series 2010 Bonds shall be (i) made to the registered owner thereof and shall be paid by check or draft mailed to the registered owner thereof as of the close of business on the Record Date at his address as it appears on the registration books of the Issuer maintained by the Trustee or at such other address as is furnished to the Trustee in writing by such registered owner or (ii) made by wire transfer to the registered owner upon written notice by such owner to the Trustee given not less than 15 days prior to such interest payment date, subject to the provisions of Section 3.01 of the Resolution.

Section 207. Redemption. (a) The Series 2010 Bonds are subject to redemption at any time, in whole or in part, at the election of the Issuer from such maturities as shall be determined by the Issuer in its discretion and within each maturity as selected by the Trustee, upon notice as provided in Section 4.03 of the Resolution, and at a Redemption Price equal to 100% of the Principal amount of each Series 2010 Bond or portion thereof to be so redeemed, plus accrued interest to the redemption date.

(b) The Series 2010 Bonds shall be subject to redemption in part by operation of Sinking Fund Installments, upon notice as provided in the Resolution, at a Redemption Price equal to the principal amount of the Series 2010 Bonds to be redeemed, together with accrued interest to the date of redemption. The amount and due date of the Sinking Fund Installments for the Series Term 2010 Bond are set forth in the following table:

JUNE 15 OF THE YEAR	AMOUNT
2021	\$109,000
2022	114,000
2023	118,000
2024	123,000
2025	128,000
2026*	133,000

* Stated maturity.

Section 208. Sale of Series 2010 Bonds. The Series 2010 Bonds are authorized to be sold to the Purchaser at an aggregate price of \$1,608,000 (being the par amount of the Series 2010 Bonds) on the terms and conditions set forth in the Bond Purchase Agreement and upon the basis of the representations therein set forth. To evidence the acceptance by the Issuer of the Bond Purchase Agreement, the Mayor is hereby authorized and directed to execute and deliver, and the City Recorder of the Issuer to affix the seal of the Issuer and to countersign and attest, the Bond Purchase Agreement in the form attached hereto as *Exhibit A*. The Council hereby ratifies, confirms, and approves all actions heretofore taken on behalf of the Issuer by the Mayor, the City Recorder, City Administrator and other officials of the Issuer in connection with the sale of the Series 2010 Bonds.

Section 209. Execution and Delivery of Series 2010 Bonds. (a) The Series 2010 Bonds shall be executed on behalf of the Issuer by the Mayor by his manual or facsimile signature, and attested by the City Recorder by her manual or facsimile signature, with the seal of the Issuer impressed thereon or with a facsimile of the seal of the Issuer imprinted thereon.

(b) The Series 2010 Bonds shall be delivered to the Trustee, upon compliance with the provisions of Sections 2.02, 2.04 and 3.02 of the Resolution, at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement.

Section 210. Further Authority. The Mayor, the City Administrator, the City Recorder and other officers and employees of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Series 2010 Bonds, including without limitation, any Tax Exemption Certificate prepared by Bond Counsel and an information return with the Internal Revenue Service in accordance with the requirements of Section 149(e) of the Code.

Section 211. Initial Registration of Series 2010 Bonds. Upon initial issuance, the ownership of each such Series 2010 Bond shall be registered in the registration books of the Issuer kept by the Trustee in the name of the Purchaser.

ARTICLE III

APPLICATION OF SERIES 2010 BOND PROCEEDS AND ESTABLISHMENT OF SUBACCOUNTS

Section 301. Establishment of Series 2010 Costs of Issuance Fund. There is hereby established a separate account designated as the “*Series 2010 Costs of Issuance Fund*,” to be held by the Trustee. Moneys deposited in the Series 2010 Costs of Issuance Fund shall be used to pay costs of issuance of the Series 2010 Bonds upon the written request of an Authorized Officer of the Issuer. Any moneys remaining in the Series 2010 Cost of Issuance Fund on the earlier of (a) three months after the Issue Date or (b) the date of the full and final payment of all costs of issuance of the Series 2010 Bonds, shall be promptly transferred and deposited into the Series 2010 Debt Service Subaccount to be used for the payment of Debt Service on the Series 2010 Bonds.

Section 302. Establishment of Series 2010 Debt Service Subaccount. Pursuant to the provisions of Sections 5.02 and 5.06 of the Resolution, there is hereby established in the Debt Service Account in the Bond Fund a separate Series Subaccount for the Series 2010 Bonds designated as the “*Series 2010 Debt Service Subaccount*.”

Section 303. Establishment of Series 2010 Debt Service Reserve Subaccount. (a) Pursuant to the provisions of Sections 5.02 and 5.07 of the Resolution, there is hereby established in the Debt Service Reserve Account in the Bond Fund a separate Series Subaccount for the Series 2010 Bonds designated as the “*Series 2010 Debt Service Reserve Subaccount*.”

(b) In the event the Revenues (as shown in the audited financial statements of the Issuer filed with the Trustee as provided in Section 6.06(b) of the Resolution) for the most recent Fiscal Year for which such audited financial statements are available shall be less than 200% of the Aggregate Debt Service for such Fiscal Year, the Issuer shall, not later than the first business day of the second month following the date of availability to the Issuer of such audited financial statements, and not later than the first business day of each month thereafter, deposit Revenues (subject to application thereof pursuant to Section 5.05 of the Master Resolution) with the Trustee for deposit into the Series 2010 Debt Service Reserve Subaccount an amount equal to 1/12 of the Series 2010 Debt Service Reserve Requirement.

(c) Once the Series 2010 Debt Service Reserve Subaccount has been funded as provided in Section 303(b), an amount not less than the Series 2010 Debt Service Reserve Requirement shall thereafter be maintained on deposit in the Series 2010 Debt Service Reserve Subaccount in accordance with the provisions of the Resolution, notwithstanding any subsequent increase in Debt Service coverage.

Section 304. Application of Bond Proceeds. The proceeds of the Series 2010 Bonds shall be paid to the Trustee for deposit as follows:

(a) Into the Series 2010 Costs of Issuance Fund, the amount of \$35,365.01; and

(b) Into the Series 2006 Debt Service Subaccount, the balance of the proceeds of the Series 2010 Bonds, together with \$158,934.20 transferred from the Series 2006 Debt Service Reserve Subaccount established with respect to the Refunded Bonds, to be applied to the redemption of the Refunded Bonds on the Redemption Date.

Section 305. Authorization of Redemption Prior to Maturity of Refunded Bonds. The Refunded Bonds are hereby irrevocably called for redemption on July 9, 2010, at the redemption price of 100% of the Principal amount of each such Refunded Bond so called for redemption plus accrued interest thereon to the date fixed for redemption.

Section 306. Special Rebate Funds. Upon the Written Request of the Issuer, the Trustee shall establish one or more special rebate funds as contemplated by a Tax Exemption Certificate. Money in any such fund shall not be considered moneys held for the benefit of the holders of the Series 2010 Bonds but shall be held in trust for the payment to the United States of “rebate” as provided for in the Tax Exemption Certificate.

ARTICLE IV

FORM OF SERIES 2010 BONDS

Section 401. Form of Series 2010 Bonds. Subject to the provisions of the Master Resolution, each Series 2010 Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by the Master Resolution:

REGISTERED

REGISTERED

[FORM OF SERIES 2010 BOND]

No. R- _____

\$ _____

UNITED STATES OF AMERICA

STATE OF UTAH

**HYRUM CITY, CACHE COUNTY, UTAH
SALES TAX REVENUE REFUNDING BOND, SERIES 2010**

INTEREST RATE	MATURITY DATE	ISSUE DATE
____%	June 15, ____	July 9, 2010

Registered Owner:

Principal Amount: ----- DOLLARS -----

KNOW ALL MEN BY THESE PRESENTS that Hyrum City, Cache County, Utah (the “*Issuer*”), a municipal corporation and political subdivision 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 hereof, the principal amount identified above, and to pay to the registered owner hereof interest on the balance of said principal amount from time to time remaining unpaid from the issue date specified above (the “*Issue Date*”), at the interest rate per annum specified above, *provided* that the Series 2010 Term Bonds shall bear interest (i) initially at the rate per annum specified in the Bond Resolution and (ii) from and after each Interest Rate Adjustment Rate, at the Adjusted Interest Rate (as each such initially-capitalized term is defined in the hereinafter defined Bond Resolution). Such interest shall be payable on each interest payment date until payment in full of such principal, and to pay interest on overdue principal of this Bond at the interest rate borne by this Bond, except as the provisions set forth in the hereinafter referred to Bond Resolution with respect to redemption prior to maturity may become applicable hereto.

Principal and redemption price of this Bond shall be payable at the principal corporate trust office of Zions First National Bank, of Salt Lake City, Utah, a paying agent of the Issuer, or its successor as such paying agent, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; and payment of the interest hereon shall be (i) made to the registered owner hereof and shall be paid by check

or draft mailed to the person who is the registered owner of record as of the close of business on the Record Date at the address of such registered owner as it appears on the registration books of the Issuer maintained by the Trustee, or at such other address as is furnished in writing by such registered owner to the Trustee as provided in the Bond Resolution or (ii) made by wire transfer to such registered owner upon written notice by such owner to the Trustee given not less than 15 days prior to such interest payment date, subject to the provisions of the Bond Resolution.

This Bond is a special obligation of the Issuer and is one of the Sales Tax Revenue Bonds of the Issuer (the "*Bonds*") and is issued under the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "*Act*"), for the purpose of refunding all of the Issuer's currently outstanding Sales Tax Revenue Bonds, Series 2006, and paying the costs incurred in connection with the issuance and sale of the Bonds.

The Bonds are issued under the terms of the Resolution Providing for the Issuance of Sales Tax Revenue Bonds of the Issuer adopted on June 15, 2006 (the "*Master Resolution*"), as amended and supplemented by a Supplemental Resolution adopted on July 1, 2010 (the "*Supplemental Resolution*"), as the same may from time to time be amended or supplemented by further resolutions of the Issuer (such Master Resolution and Supplemental Resolution and any and all such further resolutions being herein collectively called the "*Bond Resolution*").

The Issuer is obligated to pay principal, redemption price of, and interest on this Bond solely from the sales tax revenues (the "*Revenues*") and other funds of the Issuer, as pledged therefor under the terms of the Bond Resolution. This Bond is not a debt of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness. Pursuant to the Bond Resolution, sufficient Revenues have been pledged and will be set aside into special funds by the Issuer to provide for the prompt payment of the principal of and interest on this Bond and all Bonds of the series of which it is a part.

As provided in the Resolution, Bonds 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 Resolution, and the aggregate principal amount of Bonds which may be issued is not limited. All Bonds issued and to be issued under the Resolution and certain other obligations entered into or to be entered into by the Issuer under the Resolution 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 Resolution.

This Bond is one of a total authorized issue of Bonds of \$1,608,000 (the "*Series 2010 Bonds*") designated as "Sales Tax Revenue Refunding Bonds, Series 2010," dated as of the Issue Date, and duly issued under and by virtue of the Act and under and pursuant to the Bond Resolution. Copies of the Bond Resolution are on file at the office of the City Recorder of the City Council in Hyrum City, Utah, and at the principal corporate trust office of Zions First National Bank, of Salt Lake City, Utah, as trustee under the Resolution (said trustee and any successors thereto under the Bond Resolution being herein called the "*Trustee*"), and reference to the Bond Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Series 2010 Bonds are issued and additional bonds and

other obligations payable from the Revenues may be issued thereunder on a parity with the Series 2010 Bonds, and a statement of the rights, duties, immunities and obligations of the Issuer and of the Trustee. Such pledge and other obligations of the Issuer under the Bond Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provisions for the payment thereof on the terms and conditions set forth in the Bond Resolution.

To the extent and in the respects permitted by the Bond Resolution, it 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 Bond Resolution.

This Bond is transferable, as provided in the Bond Resolution, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Trustee, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in a form approved by the Trustee, duly executed by the registered owner or his duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Series 2010 Bond or Bonds of the same aggregate principal amount, denominations, Series designation and maturity as the surrendered Series 2010 Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. The Issuer, the Trustee, and any paying agent may treat and consider the person in whose name this Series 2010 Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

The Series 2010 Bonds are issuable in the form of fully-registered Bonds, without coupons, in the denomination of \$100,000 and any integral multiple thereof.

The Series 2010 Bonds are subject to redemption, in whole or in part, at the election of the Issuer at any time, from such maturities as shall be determined by the Issuer in its discretion and within each maturity as selected by the Trustee, upon notice given as hereinafter set forth, at a redemption price equal to 100% of the principal amount of each Series 2010 Bond or portion thereof to be so redeemed, plus accrued interest to the redemption date.

Notice of redemption shall be given by the Trustee by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Trustee, or at such address as he may have filed with the Trustee for that purpose. Each notice of redemption shall state the redemption date, the place of redemption, the source of the funds to be used for such redemption, the principal amount and, if less than all of the Series 2010 Bonds of like maturity are to be redeemed, the distinctive numbers of the Series 2010 Bonds to be redeemed, and shall also state that the interest on the Series 2010 Bonds or portions thereof in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Series 2010 Bonds the redemption price thereof and interest accrued thereon to the redemption date.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the

redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable.

This Bond and the issue of Series 2010 Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto.

Pursuant to Section 11-14-307(3) of the Act, the State of Utah has pledged and agreed with the holders of the Series 2010 Bonds that the State of Utah will not alter, impair or limit the Revenues in a manner that reduces the amounts to be rebated to the Issuer which are devoted or pledged by the Bond Resolution until the Series 2010 Bonds, together with applicable interest, are fully met and discharged, and the City agrees that it will not take any action that would alter, impair or limit such amounts until the Series 2010 Bonds, together with applicable interest, 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 2010 Bonds; and *provided further* that, if any such alteration, impairment or limitation of Revenues has occurred and, in the reasonable judgment of the holders of the Series 2010 Bonds, adequate provision has not been made by law for the protection of such Bondholders, the City shall make such adequate provision for the protection of the Bondholders, and the City and the Bondholders shall negotiate in good faith to cause the City to take such actions as are necessary to ensure that adequate provision for the protection of such Bondholders has been made.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Bond Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Series 2010 Bond exist, have happened and have been performed and that the issue of the Series 2010 Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

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

IN WITNESS WHEREOF, HYRUM CITY, CACHE COUNTY, UTAH, has caused this Bond to be signed in its name and on its behalf by the signature of its Mayor, and its corporate seal to be impressed or imprinted hereon, and attested and countersigned by the signature of its City Recorder, all as of the Issue Date specified above.

HYRUM CITY, CACHE COUNTY, UTAH

Mayor

COUNTERSIGN AND ATTEST:

City Recorder

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the Sales Tax Revenue Refunding Bonds, Series 2010, of Hyrum City, Cache County, Utah.

Date of registration and authentication: _____.

ZIONS FIRST NATIONAL BANK,
as Trustee

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

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

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right	(Cust) _____ (Minor) _____
		of survivorship and not as	under Uniform Transfers to Minors Act of
		tenants in common	_____
			(State)

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

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of HYRUM CITY, CACHE COUNTY, UTAH, and hereby irrevocably constitutes and appoints _____ Attorney to register the transfer of said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____ Signature: _____

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).

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.

ARTICLE V

THE TRUSTEE

Section 501. Appointment of Trustee. For the benefit and protection of the holders of the Series 2010 Bonds and any other Bonds hereafter issued pursuant to the Resolution, Zions First National Bank, having the powers of a trust company, doing business and having its corporate trust office in Salt Lake City, Utah, is hereby appointed as Trustee, Paying Agent and Transfer Agent. Zions First National Bank shall signify acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Issuer a written acceptance thereof prior to the delivery of the Series 2010 Bonds.

ARTICLE VI

SPECIAL COVENANTS AND MISCELLANEOUS

Section 601. Tax Covenants. (a) In order to establish and preserve the tax-exempt status of the Series 2010 Bonds, the Mayor, City Administrator and City Recorder and other appropriate officials and employees of the Issuer are hereby authorized and directed to execute such Tax Exemption Certificates as shall be necessary to establish that (i) the Series 2010 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, (ii) the Series 2010 Bonds are not and will not become “private activity bonds” within the meaning of Section 141 of the Code, (iii) all applicable requirements of Section 149 of the Code are and will be met, (iv) the covenants of the Issuer contained in this Section will be complied with and (v) interest on the Series 2010 Bonds is not and will not become includible in gross income of the Owners thereof for federal income tax purposes under the Code and applicable regulations promulgated or proposed thereunder.

(b) The Issuer covenants and certifies to and for the benefit of the Owners from time to time of the Series 2010 Bonds that:

(i) the Issuer will at all times comply with the provisions of the Tax Exemption Certificate relating to the Series 2010 Bonds;

(ii) the Issuer will at all times comply with the rebate requirements contained in Section 148(f) of the Code, including, without limitation, the entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made and the timely payment to the United States of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the Series 2010 Bonds or any funds or accounts of the Issuer that may be deemed to be proceeds of the Series 2010 Bonds, pursuant to Section 148 of the Code and applicable regulations, which use, if it had been reasonably expected on the date of issuance of the Series 2010 Bonds, would have caused the Series 2010 Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) the Issuer will not (A) take any action which would cause the Series 2010 Bonds, or any Series 2010 Bond, to be a “*private activity bond*” within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (B) omit to take or cause to be taken, in timely manner, any action, which omission would cause the Series 2010 Bonds, or any Series 2010 Bond, to be a “*private activity bond*” or to fail to meet any applicable requirement of Section 149 of the Code;

(v) no bonds or other evidences of indebtedness of the Issuer have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Series 2010 Bonds and ending 15 days following the delivery of the Series 2010 Bonds, other than the Series 2010 Bonds;

(vi) the Issuer will not take any action that would cause interest on the Series 2010 Bonds to be or to become ineligible for the exclusion from gross income of the Owners of the Series 2010 Bonds as provided in Section 103 of the Code, nor will the Issuer omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2010 Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2010 Bonds as provided in Section 103 of the Code; and

(vii) in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Series 2010 Bonds, under present rules, the Issuer would be treated as the “taxpayer” in such examination and the Issuer agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Series 2010 Bonds with the requirements of Section 103 of the Code and the regulations proposed or promulgated thereunder as they pertain to the Series 2010 Bonds.

Section 602. Designation of the Series 2010 Bonds as “Qualified Tax-Exempt Obligations”. The Issuer hereby designates each of the Series 2010 Bonds that is outstanding from time to time as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

Section 603. Amendment of Article I of the Master Resolution. Article I of the Master Resolution is hereby amended by revising the following definition, such definition to read in its entirety as follows:

“Debt Service” means for any particular Fiscal Year and for any Series of Bonds, an amount equal to the sum of:

(a) all interest payable during such Fiscal Year on the Bonds then Outstanding, plus

(b) the Principal Installments during such Fiscal Year on the Bonds then Outstanding, calculated on the assumption that Bonds on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Resolution;

provided, however, that

(1) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds (for which there is no interest rate swap) or repayment obligations with respect to a Reserve Instrument or Security Instrument which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such Series of Variable Rate Bonds or related repayment obligations will bear interest at the average of the variable rates applicable to such Series of Variable Rate Bonds or related repayment obligations during any twenty-four month period (or a shorter period, commencing on the date of issuance of a Series of Variable Rate Bonds or the date of incurring the related Repayment Obligations) ending within sixty (60) days prior to the date of computation, or, with respect to any Series of Variable Rate Bonds or related repayment obligations for which such an average of the variable rates cannot be determined, at a rate certified by the Issuer’s financial advisor, underwriter or other agent, including a Remarketing Agent, to be the rate of interest such Series of Variable Rate Bonds or related repayment obligations would bear if issued on the date of computation in the same amount, with the same maturity or maturities, with the same security, and bearing interest at a variable rate computed in a comparable manner;

(2) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds which are issued with an Interest Rate Swap in which the Issuer has agreed to pay a fixed rate and the Swap Counterparty has agreed to pay a variable rate that an Authorized Officer of the Issuer certifies in a Written Certificate of the Issuer approximates the variable rate payable on such Series of Variable Rate Bonds, such Series of Variable Rate Bonds shall be deemed to bear interest at the fixed rate of such Interest Rate Swap; provided that such fixed rate may be utilized only so long as such Interest Rate Swap is contracted to remain in full force and effect; and

(3) when calculating interest payable during such Fiscal Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a variable rate and the Swap Counterparty has agreed to pay a fixed rate that an Authorized Officer of the Issuer certifies in a Written Certificate of the Issuer approximates the fixed rate payable on such Series of Bonds, it shall be assumed that such Series of Bonds shall bear interest at the maximum rate provided for in the Supplemental Resolution relating to such Bonds pursuant to Section 2.02(4) of this Resolution; provided that such variable rate shall be utilized only so long as such Interest Rate Swap is contracted to remain in full force and effect.

The amendment contained in this Section 703 shall become effective on the date the Refunded Bonds shall be no longer Outstanding and upon compliance with the requirements of Article VIII of the Master Resolution. Purchasers of the Series 2010 Bonds shall, by their purchase and acceptance of such Series 2010 Bonds, have consented to all amendments contained in this Section 703 for all purposes of the Resolution.

Section 604. Effective Date. This Series 2010 Supplemental Resolution shall take effect immediately.

ADOPTED AND APPROVED this 1st day of July, 2010.

HYRUM CITY, CACHE COUNTY, UTAH

Mayor

ATTEST:

City Recorder

[SEAL]

EXHIBIT A

[ATTACH BOND PURCHASE AGREEMENT]

STATE OF UTAH)
)
COUNTY OF CACHE)

I, Stephanie Fricke, the duly chosen, qualified and acting City Recorder of Hyrum City, Cache County, Utah, do hereby certify that the foregoing resolution entitled "Supplemental Resolution Authorizing the Issuance and Sale of \$1,608,000 Sales Tax Revenue Refunding Bonds, Series 2010," was duly adopted by the City Council at a regular meeting held at the regular meeting place of the City Council, at 83 West Main Street, Hyrum City, Utah, on July 1, 2010, and became effective as of said date, that said resolution has been compared by me with the original thereof, recorded in the minute book of the City and that said resolution is a correct transcript of the whole thereof, and that said resolution has not been altered, amended or repealed but is in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of Hyrum City, Cache County, Utah, this 1st day of July 2010.

City Recorder

[SEAL]