

RESOLUTION NO. 99-02

ROLL CALL

VOTING	YES	NO
MAYOR DALE R. BARNEY <i>(votes only in case of tie)</i>		
SHERMAN E. HUFF <i>Councilmember</i>	X	
EVERETT KELEPOLO <i>Councilmember</i>	X	
THORA L. SHAW <i>Councilmember</i>	X	
LILLIAN J. SHEPHERD <i>Councilmember</i>	X	
CLYDE A. SWENSON <i>Councilmember</i>	X	

I MOVE this resolution be adopted: Councilmember Swenson

I SECOND the foregoing motion: Councilmember Kelepolo

RESOLUTION 99-02

A RESOLUTION APPROVING THE FORM OF THE LEASE/PURCHASE AGREEMENT WITH ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF

Whereas, the City Council of Spanish Fork City (the "Governing Body") has determined that the leasing of the property described in the Lease/Purchase Agreement (the "Lease/Purchase Agreement") presented at this meeting is for a valid public purpose and is essential to the operations of Spanish Fork City (the "Lessee"); and

Whereas, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee, and

Whereas, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement; and

Whereas, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax-exempt obligations to deduct for federal income tax purposes a portion of such institution's interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code.

Be it resolved by the Governing Body of Spanish Fork City as follows:

SECTION 1. The terms of said Lease/Purchase Agreement are in the best interests of the Lessee for the leasing of the property described therein.

SECTION 2. The officers of the Lessee are hereby authorized to execute and deliver the Lease/Purchase Agreement and any related documents necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Lessee.

SECTION 3. The officers of the Governing Body and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

SECTION 4. Based on the following representations, the interest components of the lease payments under the Lease/Purchase Agreement are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code: (i) such lease

payments are not private activity bonds within the meaning of Section 141 of the Code; (ii) the Lessee reasonably anticipates that it, together with its subordinate entities, will not issue during the current calendar year obligations (other than those obligations described in clause (iii) below) the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code which, when aggregated with all obligations described in clause (ii) above, will exceed an aggregate principal amount of \$10,000,000; (iii) and notwithstanding clause (ii) above, Lessee and its subordinate entities may have issued in the current calendar year and may continue to issue during the remainder of the current calendar year private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code.

This resolution adopted this 2nd day of February, 1999, by the City Council of Spanish Fork City, Utah.

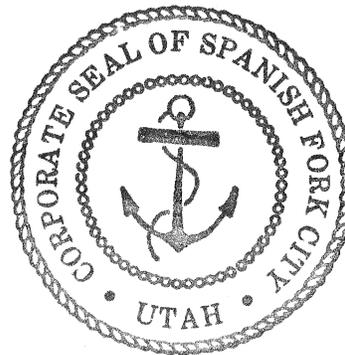


DALE R. BARNEY, Mayor

ATTEST:



KENT R. CLARK, City Recorder

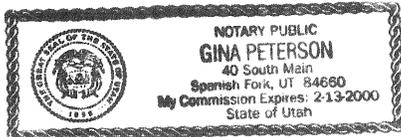


STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

Kent R. Clark, being first duly sworn, deposes and says that he is the duly appointed and qualified recorder of Spanish Fork City, County of Utah, State of Utah; that as part of his duties to keep the minutes and ordinances of Spanish Fork City, that the attached resolution is the same as the resolution passed on the 2nd day of February, 1999, by the Spanish Fork City Council.

Kent R. Clark
KENT R. CLARK, City Recorder

Subscribed and sworn to before me this 2 day of February, 1999.



Gina Peterson
NOTARY PUBLIC