

RESOLUTION NO. 02-02

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	
GLENN A. JAMES <i>Councilmember</i>	X	
ROY L. JOHNS <i>Councilmember</i>	X	
PAUL M. CHRISTENSEN <i>Councilmember</i>	X	

I MOVE this resolution be adopted: Councilmember Huff

I SECOND the foregoing motion: Councilmember Kelepolo

RESOLUTION 02-02

A RESOLUTION OF THE CITY COUNCIL OF SPANISH FORK CITY, UTAH COUNTY, UTAH (THE "ISSUER") FINALIZING THE TERMS AND CONDITIONS OF THE ISSUANCE AND SALE BY THE ISSUER OF ITS WATER REVENUE BONDS, SERIES 2002 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$16,255.00 (THE "SERIES 2002 BONDS"); AWARDING AND CONFIRMING THE SALE OF SAID SERIES 2002 BONDS; AUTHORIZING THE EXECUTION BY THE ISSUER OF A SECOND SUPPLEMENTAL INDENTURE OF TRUST, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING AND APPROVING A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT; AUTHORIZING AND APPROVING A BOND PURCHASE CONTRACT; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of Spanish Fork City, Utah County, Utah (the "Issuer") desires (i) to finance the costs of the design, acquisition and construction of a pressurized

secondary water system and other improvements to the Issuer's water system (the "Project") (the Project, and the water system of the Issuer being referred to collectively herein as the "System"), (ii) to provide for capitalized interest, and (iii) to pay the costs associated with said financing; and

WHEREAS, in order to accomplish the purposes set forth in the preceding recital, the Issuer desires to issue its Water Revenue Bonds, Series 2002 in the aggregate principal amount of \$16,255.00 (the "Series 2002 Bonds") pursuant to this Resolution, a General Indenture of Trust dated as of October 1, 1998, as heretofore supplemented (the "General Indenture"), between the Issuer and Zions First National Bank, as trustee (the "Trustee") and attached hereto as Exhibit "B" (the "General Indenture"), and the Second Supplemental Indenture of Trust dated as of March 1, 2002 (the "Second Supplemental Indenture" and together with the General Indenture, the "Indenture"), between the Issuer and the Trustee, in substantially the form presented to the meeting at which this Resolution was adopted and which is attached hereto as Exhibit "C"; and

WHEREAS, by Resolution adopted January 8, 2002 (the "Parameters Resolution"), the Council approved the preparation and use of offering material with respect to the Series 2002 Bonds; and

WHEREAS, pursuant to the direction contained in the Parameters Resolution, the Issuer has prepared and distributed a Preliminary Official Statement dated March 12, 2002 with respect to the Series 2002 Bonds and attached hereto as Exhibit "D" (the "Preliminary Official Statement"); and

WHEREAS, the Council desires to ratify the use and distribution of the Preliminary Official Statement and to approve a final Official Statement relating to the Series 2002 Bonds and dated the date hereof (the "Official Statement") in substantially the form attached hereto as Exhibit "E" and other documents relating thereto; and

WHEREAS, the Council has determined that the Bond Purchase Contract (the "Purchase Contract") between the Issuer and George K. Baum & Company, on behalf of itself and Wells Fargo Brokerage Services (collectively, the "Underwriters"), for the purchase of the Series 2002 Bonds is acceptable and in the best interest of the Issuer, a copy of which is attached hereto as Exhibit "F"; and

WHEREAS, the Issuer desires to sell the Series 2002 Bonds to the Underwriters upon the terms set forth in said Purchase Contract; and

WHEREAS, the Series 2002 Bonds shall be payable solely from the Net Revenues (as defined in the Indenture) and other moneys pledged therefor in the Indenture, and shall not constitute or give rise to a general obligation or liability of the Issuer or constitute a charge against its general credit or taxing powers:

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of Spanish Fork City, Utah County, Utah, as follows:

Section 1. The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this Resolution.

Section 2. All actions heretofore taken (not inconsistent with the provisions of this Resolution), by the Council and by the officers of the Issuer directed toward the issuance and sale of the Series 2002 Bonds, are hereby ratified, approved and confirmed.

Section 3. The Second Supplemental Indenture attached hereto as Exhibit "C" is in all respects hereby authorized and approved, and the Mayor and City Recorder are hereby authorized and directed to execute and deliver the same on behalf of the Issuer.

Section 4. For the purpose of (i) financing the Project, (ii) providing capitalized interest and (iii) paying costs of issuance, the Issuer hereby authorizes the issuance of the Series 2002 Bonds which shall be designated "Spanish Fork City, Utah County, Utah Water Revenue Bonds, Series 2002".

Section 5. The Issuer hereby authorizes the issuance of the Series 2002 Bonds in the aggregate principal amount of \$16,255.00. The Series 2002 Bonds shall bear interest, shall be dated, shall be issued as fully registered Bonds, and shall mature as provided in the Second Supplemental Indenture; provided, however that in no event shall the principal amount, interest rates, maturity and discount exceed the maximums set forth for such terms in the Parameters Resolution.

Section 6. The form, terms and provisions of the Series 2002 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture. The Mayor and City Recorder are hereby authorized and directed to execute and seal the Series 2002 Bonds and to deliver said Bonds to the Trustee for authentication. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 7. The appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Series 2002 Bonds in accordance with the provisions of the Indenture.

Section 8. The Series 2002 Bonds shall be sold to the Underwriters in accordance with the Purchase Contract presented to the Issuer. Said Purchase Contract in the form attached hereto as Exhibit "F" is hereby authorized and approved, and the Mayor and City Recorder are hereby authorized to execute said Purchase Contract on behalf of the Issuer.

Section 9. The Issuer hereby ratifies and reaffirms the utilization of the Preliminary Official Statement in the form attached hereto as Exhibit "D" in the marketing of the Series 2002 Bonds and hereby approves the Official Statement in the form attached hereto as Exhibit "E". The Mayor is hereby authorized to execute the Official Statement evidencing its approval by the Issuer.

Section 10. Upon their issuance, the Series 2002 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2002 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2002 Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 11. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 12. After the Series 2002 Bonds are delivered by the Trustee to the Underwriters, and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2002 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 13. The forms of Second Supplemental Indenture and Purchase Contract authorized and approved hereby are authorized and approved with such additions, modifications, deletions and changes thereto as may be deemed necessary or appropriate and approved by the Mayor, whose execution thereof on behalf of the Issuer shall conclusively establish such necessity, appropriateness and approval with respect to all such additions, modifications, deletions and changes incorporated therein.

Section 14. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Undertaking, a copy of which is attached to the Official Statement. In the event the Issuer fails to comply with the Continuing Disclosure Undertaking, any Bondholder may take the remedial actions set forth therein.

Section 15. In accordance with the provisions of Section 11-14-21 of the Act, the City Recorder has caused a "Notice of Bonds to be Issued" to be published one time in the Spanish Fork Press, a newspaper having general circulation in the Issuer, and has caused a copy of the Parameters Resolution to be kept on file in the office of the City Recorder for public examination during regular business hours at least thirty (30) days from and after the date of publication thereof. Such notice is hereby reaffirmed and approved.

Section 16. It is hereby declared that all parts of this Resolution are severable, and if any section, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, clause or provision shall not affect the remaining sections, clauses or provisions of this Resolution.

Section 17. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict herewith are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

Section 18. This Resolution shall take effect immediately upon its approval and adoption.

PASSED, APPROVED AND ADOPTED this 19th day of March, 2002.



DALE R. BARNEY, Mayor

ATTEST:



KENT R. CLARK, City Recorder

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