

**RESOLUTION 06\_17**

ROLL CALL

VOTING	YES	NO
MAYOR JOE L THOMAS <i>(Votes only in case of a tie)</i>		
MATTHEW D. BARBER <i>Councilmember</i>	X	
STEVE M. LEIFSON <i>Councilmember</i>		
SETH V. SORENSEN <i>Councilmember</i>	X	
G. WAYNE ANDERSEN <i>Councilmember</i>	X	
CHRIS C. WADSWORTH <i>Councilmember</i>	X	

I MOVE this ordinance be adopted: Councilman Wadsworth

I SECOND the forgoing motion: Councilman Barber

RESOLUTION NO. 06-17

A RESOLUTION PROVIDING FOR THE FINANCING BY SPANISH FORK, UTAH (THE "ISSUER") OF THE ACQUISITION OF SCHOOL FACILITIES, EQUIPMENT AND LAND LOCATED IN SPANISH FORK, UTAH IN ORDER THAT THE AMERICAN LEADERSHIP ACADEMY (THE "BORROWER") MAY BE PROVIDED WITH FACILITIES TO PROMOTE THE GENERAL HEALTH AND WELFARE WITHIN THE STATE OF UTAH; AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY THE ISSUER OF ITS NOT TO EXCEED \$26,000,000 CHARTER SCHOOL REVENUE BONDS (AMERICAN LEADERSHIP ACADEMY) SERIES 2006 WHICH WILL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED THEREFORE UNDER THE TRUST INDENTURE; AUTHORIZING THE EXECUTION AND DELIVERY BY THE ISSUER OF A TRUST INDENTURE, A BOND PURCHASE AGREEMENT, A LOAN AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; APPROVING THE USE OF AN OFFICIAL STATEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, pursuant to the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the "Act"), Spanish Fork, Utah (the "Issuer") is authorized to issue its revenue bonds to finance the costs of any "project" as defined in the Act to the end that the Issuer may be able to promote the general health and welfare within the State of Utah; and

WHEREAS, the Act provides that a city or county may issue revenue bonds for the purpose of using substantially all of the proceeds thereof to pay or to reimburse a user for the costs of the acquisition or construction of the facilities of a project and that title to or in such facilities may at all times remain in the user, and in such case the bonds of the city or county may be secured by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the user; and

WHEREAS, as a result of negotiations between the Issuer and the American Leadership Academy, Incorporated (the "Borrower"), a nonprofit corporation organized under the laws of the State of Utah and authorized to do business in the State of Utah, contracts have been or will be entered into by the Borrower for the acquisition of certain school facilities located at approximately 898 West 1100 South in Spanish Fork, Utah consisting of (i) an elementary school facility, (ii) a middle school facility, (iii) a high school facility; and (iv) land on which such facilities sit, to be owned and used by the Borrower (the "Project"); and

WHEREAS, the Project will be of the character and will accomplish the purposes provided by the Act, and the Issuer is willing to issue its charter school revenue bonds to finance the Project upon terms which will be sufficient to pay the costs of the Project as evidenced by such bonds, all as set forth in the details and provisions of the Loan Agreement (the "Loan Agreement") between the Issuer and the Borrower in substantially the form attached hereto as Exhibit B; and

WHEREAS, pursuant to the provisions of the Loan Agreement, the Borrower will promise to pay amounts sufficient to pay, when due the principal of, premium, if any, and interest on the Bonds, all in accordance with the requirements of the Act; and

WHEREAS, pursuant to the provisions of the Act, the Issuer proposes to enter into (i) the Loan Agreement with the Borrower in connection with the financing of the Project, and (ii) a Trust Indenture (the "Indenture"), the form of which is attached hereto as Exhibit C, with Zions First National Bank, as trustee (the "Trustee") pursuant to which the Issuer will issue its not to exceed \$26,000,000 Charter School Revenue Bonds (American Leadership Academy) Series 2006 (the "Bonds"); and

WHEREAS, the City Council of Spanish Fork, Utah (the "Council") deems it necessary and advisable to authorize the issuance sale of the Bonds and to authorize the execution and delivery of the Loan Agreement, the Indenture, a Bond Purchase Agreement among the Issuer, the Borrower and D.A. Davidson & Co. (the "Underwriter") (the "Bond Purchase Agreement") in substantially the form attached hereto as Exhibit D which provides for the sale of the Bonds, and other related documents required for the sale of the Bonds and to approve the use of an Official Statement (the

“Official Statement”) in substantially the form attached hereto as Exhibit E relating to the Bonds; and

WHEREAS, on October 3, 2006 the Issuer adopted a resolution authorizing the issuance of the Bonds within certain parameters set forth therein; and

WHEREAS, the Act and the documents to be signed by the Issuer provide that the Bonds shall not constitute nor give rise to a general obligation or liability of the Issuer or be a charge against its general credit or taxing powers and that the Bonds will be payable from and secured only by the revenues arising from the pledge and assignment under the Indenture of the Loan Agreement to the Trustee.

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

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein.

Section 2. The Issuer is authorized to issue the Bonds for the purpose of lending the proceeds thereof to the Borrower to finance the costs of the Project, all pursuant to the provisions of the Act. All action heretofore taken by the officers of the Issuer directed toward the issuance of the Bonds is hereby ratified, approved and confirmed.

Section 3. The Issuer is authorized and directed to issue the Bonds as fully registered bonds, in the aggregate principal amount of not to exceed \$26,000,000. The Bonds shall initially bear interest at a rate or rates not to exceed 7% per annum, shall be payable on the dates, shall be subject to redemption prior to maturity, and shall mature on or before October 1, 2038, all as set forth in the Indenture.

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

The form of Bond is set out in the Indenture, copies of which were before the Council at this meeting, which form is incorporated herein by reference and made a part hereof.

Section 4. The Bonds are to be issued in accordance with and pursuant to, and the Issuer is authorized and directed to execute and deliver, the Indenture, the Loan Agreement and the Bond Purchase Agreement, in substantially the same forms presented to the Council at the meeting at which this resolution was adopted. The Indenture provides for the issuance of the Bonds solely for the purpose of financing the cost of acquiring and equipping the Project and for paying expenses incidental thereto. The

Bonds shall not constitute nor give rise to a general obligation or liability of the Issuer or a charge against its general credit or taxing powers. Recourse on the Bonds executed and delivered by the Issuer pursuant to the Indenture may be had only against the security for the Bonds as provided therein and in the Indenture. The issuance of the Bonds shall also be subject to the approval of bond counsel.

Section 5. The Project will constitute school facilities to be used in the Borrower's non-profit business as contemplated in the Act consisting of the buildings and equipment and related property and improvements, including any modification thereof, substitutions therefor and amendments thereto.

Section 6. The Indenture and Loan Agreement, in substantially the forms presented to the Council at this meeting, with such changes as are authorized by Section 8 hereof, are hereby approved in all respects, and the Mayor or Mayor Pro Tem and Recorder or Deputy Recorder are hereby authorized to execute each of the same on behalf of the Issuer and to affix the seal of the Issuer thereto and the acts of the Mayor or Mayor Pro Tem and Recorder or Deputy Recorder in so doing are and shall be the act and deed of the Issuer. The Mayor or Mayor Pro Tem and Recorder or Deputy Recorder and all other proper officers and employees of the Issuer are hereby authorized and directed to take all steps on behalf of the Issuer to perform and discharge the obligations of the Issuer under each of said instruments.

Section 7. The sale of the Bonds to the Underwriter in accordance with the Bond Purchase Agreement and as contemplated by the Official Statement, are hereby authorized, approved and confirmed. The Mayor or Mayor Pro Tem and Recorder or Deputy Recorder are hereby authorized to execute and deliver the Bond Purchase Agreement all for and on behalf of the Issuer. The Issuer hereby authorizes the use and distribution of the Official Statement.

Section 8. The Mayor or the Mayor Pro Tem is hereby authorized to make, either prior or subsequent to the execution thereof, any alterations, changes or additions in the Indenture, the Loan Agreement, the Bond Purchase Agreement and the Bonds herein authorized which may be necessary to correct any errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the agreement of the Borrower and the Underwriter, to the provisions of this resolution, or any other resolution adopted by the Issuer, or the provisions of the laws of the State of Utah or the United States as long as the rights of the Issuer are not materially adversely affected thereby.

Section 9. Pursuant to Section 11-17-13, Utah Code Annotated 1953, as amended, the Issuer includes herein the pledge and undertaking of the State of Utah that the State of Utah will not alter, impair or limit the rights vested hereunder or in the Bonds, the Loan Agreement, the Indenture or any of the documents contemplated hereby until the Bonds, together with all interest thereon, have been fully paid and discharged and all obligations of the Issuer thereunder and under the Loan Agreement are fully performed.

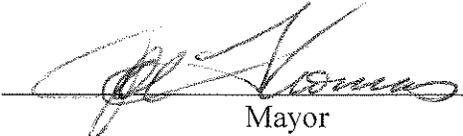
Section 10. It is hereby declared that all parts of this resolution are severable and that if any section, paragraph, clause or provision of this resolution shall, for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining provisions of this resolution.

Section 11. The Mayor or Mayor Pro Tem and Recorder or Deputy Recorder and other officers of the Issuer are hereby authorized to execute all documents and take such action as they may deem necessary or advisable in order to carry out and perform the purpose of this resolution and the execution or taking of such action shall be conclusive evidence of such necessity or advisability. All action heretofore taken by the Issuer, its officers and employees, with respect to the issuance and sale of the Bonds is hereby ratified and confirmed.

Section 12. 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.

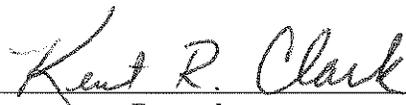
Section 13. This Resolution shall take effect immediately upon its approval and adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF SPANISH FORK, UTAH OF UTAH COUNTY, UTAH THIS 17th DAY OF OCTOBER, 2006.

  
\_\_\_\_\_  
Mayor

(SEAL)

ATTEST:

  
\_\_\_\_\_  
Recorder

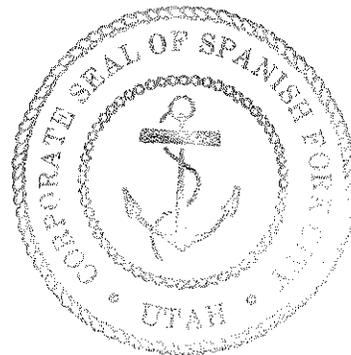


EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Kent Clark, the duly qualified and acting Recorder of Spanish Fork, Utah (the "Issuer"), do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that

(a) in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, there was given not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the October \_\_\_, 2006, public meeting held by the Issuer as follows:

(i) By causing a Notice, in the form attached hereto as Schedule A, to be posted at the Issuer's offices at 40 South Main Street, Spanish Fork, Utah on October \_\_\_, 2006, at least twenty-four (24) hours prior to the convening of said meeting, the Notice having continuously remained so posted and available for public inspection until the completion of said meeting; and

(ii) By causing a copy of such Notice to be delivered to the Spanish Fork Press on October \_\_\_, 2006, at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2006 Annual Meeting Schedule for the City Council of Spanish Fork, Utah (attached hereto as Schedule B) has been posted (and has remained posted) and provided to local media correspondents as required by Section 52-4-202(2), Utah Code Annotated 1953, as amended.

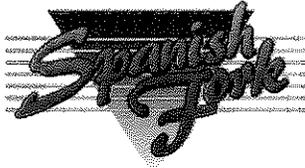
IN WITNESS WHEREOF, I have hereunto subscribed my official signature this \_\_\_ day of October, 2006.



Recorder

(SEAL)

SCHEDULE A  
MEETING NOTICE



## **ADDENDUM CITY COUNCIL AGENDA**

PUBLIC NOTICE is hereby given that the City Council of Spanish Fork, Utah, will hold a regular public meeting in the Council Chambers in the City Office Building, **40 South Main Street**, Spanish Fork, Utah, commencing at **6:00 p.m. on October 17, 2006**.

### AGENDA ITEMS:

#### **1. CALL TO ORDER, PLEDGE, OPENING CEREMONY, RECOGNITIONS:**

- a. Pledge
- b. Introduction of Executive Director for Spanish Fork/Salem Chamber of Commerce

#### **2. PUBLIC COMMENTS:**

Please note: In order to be considerate of everyone attending the meeting and to more closely follow the published agenda times, public comment will be limited to three minutes per person. A spokesperson who has been asked by a group to summarize their concerns will be allowed five minutes to speak. Comments which cannot be made within these limits should be submitted in writing. The Mayor or Council may restrict the comments beyond these guidelines.

#### **3. COUNCIL COMMENTS:**

#### **4. PUBLIC HEARINGS: 6:30 p.m.**

- a. Staker Parsons/Strawberry Water User Annexation
- b. Zone Change – Pioneer Ridge

#### **5. CONSENT ITEMS:**

These items are considered by the City Council to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item, that item may be removed from the consent agenda and considered separately.

- a. Minutes of Spanish Fork City Council Meeting – April 4, 2006, September 21, 2006
- b. Rodeo Contract – Diamond Fork Riding Club
- c. Sankey Stock Contract
- d. Resolution 06-15 – Authorizing the Fiesta Days & Rodeo Committee Chairs to Execute Contracts
- e. Contract for Culinary Water Reservoir Design

#### **6. NEW BUSINESS:**

- a. Police/Court Building – Construction Management & Design
- b. Recreation Area
- c. Resolution 06-16 – Terminating the Mapleton Annexation Boundary Agreement
- d. Pioneer Ridge Preliminary Plat
- e. ALA Bond Resolution 06-17 – A RESOLUTION PROVIDING FOR THE FINANCING BY SPANISH FORK, UTAH (THE "ISSUER") OF THE ACQUISITION OF SCHOOL FACILITIES, EQUIPMENT AND LAND LOCATED IN SPANISH FORK, UTAH IN ORDER THAT THE AMERICAN LEADERSHIP ACADEMY (THE "BORROWER") MAY BE PROVIDED WITH FACILITIES TO PROMOTE THE GENERAL HEALTH AND WELFARE WITHIN THE STATE OF UTAH; AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY THE ISSUER OF ITS NOT TO EXCEED \$26,000,000 CHARTER SCHOOL REVENUE BONDS (AMERICAN

Notice is hereby given that:

- In the event of an absence of a quorum, agenda items will be continued to the next regularly scheduled meeting.
- By motion of the Spanish Fork City Council, pursuant to Title 52, Chapter 4 of the Utah Code, the City Council may vote to hold a closed executive meeting for any of the purposes identified in that Chapter.

SPANISH FORK CITY does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in the employment or the provision of services. The public is invited to participate in all Spanish Fork City Council Meetings located at 40 South Main St. If you need special accommodation to participate in the meeting, please contact the City Manager's Office at 798-5000.

LEADERSHIP ACADEMY) SERIES 2006 WHICH WILL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED THEREFORE UNDER THE TRUST INDENTURE; AUTHORIZING THE EXECUTION AND DELIVERY BY THE ISSUER OF A TRUST INDENTURE, A BOND PURCHASE AGREEMENT, A LOAN AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; APPROVING THE USE OF AN OFFICIAL STATEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

f. Surplus Fire Truck Donation

**7. OLD BUSINESS:**

a. Community Standard Resolution

**8. OTHER BUSINESS:**

a. Executive Session If Needed – To be Announced in the Motion

ADJOURN:

SCHEDULE B

2006 ANNUAL MEETING NOTICE

# Proof of Publication

**THE SPANISH FORK PRESS**, a weekly newspaper printed and published at Spanish Fork, Utah County, Utah and of general circulation therein; that the Notice, a copy of which is hereto attached, was printed and published in said paper

for consecutive 1 weeks,

the first publication on the 12 day

of January 2006

And the last on the 12 day

of January 2006

Megan Bingham

## PUBLIC NOTICE

The City of Spanish Fork will hold their City Council Meetings on the following days. Each meeting begins at 6:00 p.m. on the First, and Third TUESDAY of each month. Address: 40 South Main Street, Spanish Fork.

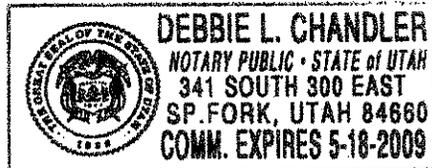
2006

January	3, 17
February	7, 21
March	7, 21
April	4, 18
May	2, 16
June	6, 20
July	, 18
August	1, 15
Sept.	5, 19
Oct.	3, 17
Nov.	7, 21
Dec.	5, 19

Spanish Fork City will make available for interested citizens to review copies of the audit report for Fiscal Year 2005 contact the Finance Director's Office.

The public is invited to participate in all Spanish Fork City Council Meetings. If you need special accommodation to participate in the meeting, please contact the City Manager's Office, 798-5000.

Published in the Spanish Fork Press on January 12, 2006.



Subscribed and sworn to before me this 12th day of January 2006.

Debbie L. Chandler  
Notary Public

EXHIBIT B  
LOAN AGREEMENT

EXHIBIT C

TRUST INDENTURE

EXHIBIT D

BOND PURCHASE AGREEMENT

EXHIBIT E

OFFICIAL STATEMENT