

Spanish Fork, Utah

August 3, 2010

The City Council of Spanish Fork City, Utah, met in regular public session at its regular meeting place in Spanish Fork, Utah at 6:00 p.m. on Tuesday, August 3, 2010, with the following members of the Council being present:

G. Wayne Andersen	Mayor
Rod Dart	Councilmember
Richard M. Davis	Councilmember
Jens P. Nielson	Councilmember
Steve Leifson	Councilmember
Keir Scoubes	Councilmember

Also present:

David A. Oyler	City Manager
Kent R. Clark	Finance Director/City Recorder
S. Junior Baker	City Attorney
Angie Warner	Deputy Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance With Open Meeting Law with respect to this August 3, 2010 meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, and pursuant to motion made by Councilmember Leifson and seconded by Councilmember Dart, adopted by the following vote:

AYE: motion passed all in favor

NAY:

The resolution was then signed by the Mayor in open meeting and recorded by the City Recorder in the official records of Spanish Fork City, Utah. The resolution is as follows:

RESOLUTION NO. 10-06

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$6,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE REFUNDING BONDS, SERIES 2010, OF SPANISH FORK CITY, UTAH; AUTHORIZING THE EXECUTION BY THE ISSUER OF A THIRD SUPPLEMENTAL INDENTURE OF TRUST, AN ESCROW DEPOSIT AGREEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING AND APPROVING A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, AND A BOND PURCHASE AGREEMENT, 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 provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act"), the City Council (the "Council") of Spanish Fork City, Utah, (the "Issuer"), has authority to issue bonds to achieve a debt service savings; and

WHEREAS, in order to (i) refund certain of the Issuer's outstanding Water Revenue Bonds, Series 2002 (the "Refunded Bonds") and (ii) to pay all costs of issuance, the Issuer desires to issue its Water Revenue Refunding Bonds, Series 2010 in the aggregate principal amount of not more than \$6,000,000 (the "Series 2010 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") (the "General Indenture"), and the Third Supplemental Indenture of Trust dated as of September 1, 2010 (the "Third 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 B; and

WHEREAS, by Resolution adopted April 20, 2010 (the "Parameters Resolution"), the Council declared its intent to issue the Series 2010 Bonds, approved the preparation and use of offering material with respect to the Series 2010 Bonds, and provided for the publication of a "Notice of Bonds to be Issued"; and

WHEREAS, there has been presented to the Council at this meeting a form of a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into among the Issuer and Stifel, Nicolaus & Company, Incorporated, the underwriter for the Series 2010 Bonds (the "Underwriter"), and a form of Preliminary Official Statement relating to the Series 2010 Bonds (the "Preliminary Official Statement"), the Third Supplemental Indenture, and a Escrow Deposit Agreement (the "Escrow Agreement") to be entered into by the Issuer and Zions First National Bank as escrow agent to provide for the refunding of the Refunded Bonds; 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 2010 Bonds (the “Official Statement”) and other documents relating thereto;

WHEREAS, in order to allow the Underwriter, (with the consultation and approval of the Issuer’s Financial Advisor, Zions Bank Public Finance) flexibility in setting the pricing date of the Series 2010 Bonds to optimize the potential savings of the Issuer, the Council desires to grant to the Mayor, the City Manager and/or the Finance Director of the Issuer the authority to approve the interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2010 Bonds shall be sold and any changes with respect thereto from those terms which were before the Council at the time of adoption of this Resolution; provided such terms do not exceed the parameters set forth in this Resolution (the “Parameters”);

WHEREAS, the Series 2010 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, as follows:

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

Section 2. All action heretofore taken (not inconsistent with the provisions of this resolution) by the Council and the officers of the Issuer directed toward the issuance and sale of the Series 2010 Bonds are hereby ratified, approved and confirmed.

Section 3. For the purpose of providing funds to be used for (i) refunding all or a portion of the outstanding Refunded Bonds, (ii) funding any required deposit to a debt service reserve fund and (iii) paying costs of issuance of the Series 2010 Bonds, the Issuer hereby authorizes the issuance of the Series 2010 Bonds which shall be designated “Spanish Fork City, Utah Water Revenue Refunding Bonds, Series 2010” in the aggregate principal amount of not to exceed \$6,000,000. The Series 2010 Bonds shall mature on such date or dates, be subject to redemption and bear interest at the rates, as shall be approved by the Mayor, City Manager, and/or Finance Director, all within the Parameters set forth on Exhibit C attached hereto and incorporated herein by reference. The issuance of the Series 2010 Bonds shall be subject to the final approval of Bond Counsel and to the approval of the attorney for the Issuer.

Section 4. The Series 2010 Bonds shall be sold to the Underwriter with an Underwriter’s discount of not to exceed two percent (2%) of the face amount of the Series 2010 Bonds. The Bond Purchase Agreement in substantially the form presented to this meeting and attached hereto as Exhibit D is hereby authorized, approved and confirmed. The Mayor, City Manager, and/or Finance Director are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the same form and

with substantially the same content as the form of the Bond Purchase Agreement presented at this meeting for and on behalf of the Board with final terms as may be established for the Series 2010 Bonds within the Parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 14 hereof. The Mayor, City Manager, and/or Finance Director are hereby authorized to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features and purchase price with respect to the Series 2010 Bonds for and on behalf of the Issuer and any changes thereto from those terms which were before the Council at the time of adoption of this Resolution, provided such terms are within the Parameters set by this Resolution, with such approval to be conclusively established by the execution of the Bond Purchase Agreement and the Third Supplemental Indenture.

Section 5. The appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Third Supplemental Indenture, the Escrow Agreement, the Series 2010 Bonds, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2010 Bonds (within the Parameters set by this Resolution to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States.

Section 6. The form of Third Supplemental Indenture attached hereto as Exhibit B 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 7. The form of the Escrow Agreement attached hereto as Exhibit E is in all respect 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 8. The form, terms and provisions of the Series 2010 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 2010 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 9. 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 2010 Bonds in accordance with the provisions of the Indenture.

Section 10. The Issuer hereby ratifies and reaffirms the utilization of the Preliminary Official Statement in the form attached hereto as Exhibit F in the marketing

of the Series 2010 Bonds and hereby approves the Official Statement in the form attached hereto as Exhibit G. The Mayor is hereby authorized to execute the Official Statement evidencing its approval by the Issuer.

Section 11. Upon their issuance, the Series 2010 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2010 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Escrow Agreement, the Series 2010 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 12. 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 13. For purposes of and in accordance with Section 265 of the Code, the Issuer hereby designates the Series 2010 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2010 will not exceed \$30,000,000. For purposes of this section, "aggregated issuer" means any entity which (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is subject to direct or indirect control by the Issuer within the meaning of Treasury Regulatory Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer, and all aggregated issuers for calendar year 2010 does not exceed \$30,000,000.

Section 14. After the Series 2010 Bonds are delivered by the Trustee to the Underwriter, 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 2010 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 15. The forms of Third Supplemental Indenture, the Escrow Agreement, and Bond Purchase Agreement 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 16. 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 17. In accordance with the provisions of Section 11-14-316 of the Local Government Bonding Act, Utah Code Annotated 1953, as amended, 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 18. 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 19. 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.

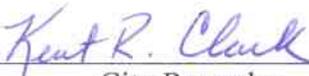
Section 20. This Resolution shall take effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this 3rd day of August, 2010.



Mayor

ATTEST:



City Recorder

(SEAL)



(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the Agenda, the meeting was adjourned.



Mayor

ATTEST:



City Recorder

(SEAL)



EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Kent Clark, the undersigned City Recorder of Spanish Fork City, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the August 3, 2010, public meeting held by the City as follows:

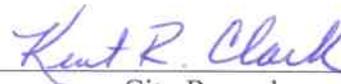
(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's principal offices on July 30, 2010, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to Spanish Fork Press on July 30, 2010, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice in the form attached hereto as Schedule 1, to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2010 Annual Meeting Schedule for the City Council of Spanish Fork City, Utah (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be (a) posted in December, 2009 at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City in December, 2009 and (c) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 3rd day of August, 2010.



City Recorder

City Recorder

(SEAL)



SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE



AMENDED 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 August 3, 2010.

AGENDA ITEMS:

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

- a. Pledge, led by invitation

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 HEARING:

- a. * Ordinance 15-10 Impact Fee Enactment

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 – July 20, 2010
- b. * Sterling Hollow 5 Million Gallon Reservoir, Change Order #1
- c. * Cold Springs Collection System Reconstruct
- d. * Cold Springs Collection System and Miscellaneous Water System Engineering Contract Amendment

6. NEW BUSINESS:

- a. Planning Commission Appointment
- b. * Consideration of a resolution of the City Council of Spanish Fork City, Utah (the "Issuer") authorizing the issuance and sale of approximately \$5,900,000 aggregate principal amount of Water Revenue Refunding Bonds, Series 2010, authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution, and related matters.
- c. Presentation Utah County Substance Abuse Prevention Presentation – Melissa Bates
- d. * Ordinance 16-10 Home Occupation in Accessory Buildings – Junior Baker, City Attorney
- e. * NRCS Grant Agreement – Dale Robinson, P & R Director
- f. North Park & Spanish Fork River Trail Project Updates – Dale Robinson, P & R Director

ADJOURN

* Supporting documentation is available on the City's website www.spanishfork.org

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 meeting for any of the purposes identified in that Chapter.
- This agenda is also available on the City's webpage at www.spanishfork.org

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 804-4530.

Proof of Publication

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

for 1 consecutive weeks,

the first publication on the 28th day

of January 2010

And the last on the 28th day

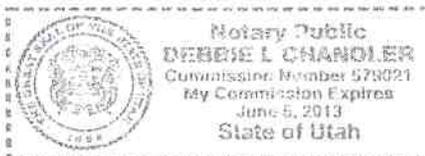
of January 2010

Lana Crest Harris

STATE OF UTAH, UTAH COUNTY > SS.....

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.	2010 January 5, 19 February 2, 16 March 2, 16 April 6, 20 May 4, 18 June 1, 15 July 6, 20 August 3, 17 September 7, 21 October 5, 19 November 2, 16 December 7, 21 The public is in-	vited to participate in all Spanish Fork City Council Meetings. If you need special accommodation to participate in the meeting please contact the City Recorder's Office 804-4530. Published in the Spanish Fork Press January 28, 2010. UPAXLP
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RESIDENCE: SPANISH FORK, UT
MY COMMISSION EXPIRES 06/05/2013



Subscribed and sworn to before me this 28th day of JANUARY 2010

Debbie L. Chanoler
Notary Public

EXHIBITS

EXHIBIT B – Form of Third Supplemental Indenture

EXHIBIT C – Parameters of the Series 2010 Bonds [Please see next page]

EXHIBIT D – Form of Bond Purchase Agreement

EXHIBIT E – Form of Escrow Deposit Agreement

EXHIBIT F – Form of Preliminary Official Statement

EXHIBIT G – Form of Official Statement

EXHIBIT C

PARAMETERS OF THE SERIES 2010 BONDS

Principal amount not to exceed	\$6,000,000
Interest rates not to exceed	5%
Discount from par not to exceed	2%
Final Maturity not to exceed	Seven (7) years from date of issuance

The Series 2010 Bonds debt service in every fiscal year shall not exceed the corresponding debt service on the related Refunded Bonds in every fiscal year.

The Net Present Value savings achieved by the refunding of the Refunded Bonds shall not be less than 3% net of all costs of issuance.