Spanish Fork, Utah

March 15, 2011

The City Council (the "Council") of Spanish Fork City, Utah (the "City"), met in regular public session at the regular meeting place of the Council in Spanish Fork City, Utah on March 15, 2011, at the hour of 6:00 p.m., with the following members of the Council being present:

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

Also present:

David A. Oyler-Absent	City Manager
Kent R. Clark	Finance Director/City Recorder
S. Junior Baker	City Attorney

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 March 15, 2011, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Councilmember Davis and seconded by Councilmember Leifson, was adopted by the following vote:

AYE: 4

NAY: 0

The resolution is as follows:

RESOLUTION NO. 11-03

A RESOLUTION OF THE CITY COUNCIL OF SPANISH FORK CITY, UTAH (THE "ISSUER"), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN $3,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2011 (THE "SERIES 2011 BONDS") TO BE ISSUED IN ONE OR MORE SERIES; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE EXECUTION BY THE ISSUER OF A SUPPLEMENTAL INDENTURE OF TRUST AND OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE SERIES 2011 BONDS; 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 Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), the City Council (the "Council") of Spanish Fork City, Utah (the "Issuer"), is authorized to issue water revenue bonds payable from the net revenues of its existing water system (the "System") for the municipal purposes set forth therein; and

WHEREAS, subject to the limitations set forth herein, the Issuer desires to issue its Water Revenue Bonds, Series 2011 (the "Series 2011 Bonds") (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer) to (a) finance the acquisition and construction of improvements to the System and related water improvements (collectively, the "Project"), and (b) pay costs of issuance of the Series 2011 Bonds, pursuant to this Resolution, a General Indenture of Trust dated as of October 1, 1998 between the Issuer and Zions First National Bank, as trustee (the "Trustee"), as previously supplemented and amended (the "General Indenture") and a Supplemental Indenture of Trust between the Issuer and the Trustee (the "Supplemental Indenture," and together with the General Indenture, the "Indenture"), in substantially the forms presented at the meeting at which this Resolution was adopted and which are attached hereto as Exhibit B; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (a) give notice of its intent to issue such Series 2011 Bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the Series 2011 Bonds and (ii) the potential economic impact that the improvement, facility or property for which the Series 2011 Bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2011 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, in order to allow for flexibility in setting the financial terms of the Series 2011 Bonds once costs of the Project can be finalized and to optimize debt service costs to the Issuer, the Council desires to grant to the Mayor or Mayor pro tem of the Issuer the authority to approve the interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2011 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 for such terms in Section 1 of this Resolution (the "Parameters"); and

NOW, THEREFORE, it is hereby resolved by the City Council of Spanish Fork City, Utah, as follows:

Section 1. For the purpose of financing the Project and paying costs of issuance of the Series 2011 Bonds, the Issuer hereby authorizes the issuance of the Series 2011 Bonds which shall be designated "Spanish Fork City, Utah Water Revenue Bonds, Series 2011" (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the initial aggregate principal amount of not to exceed $3,000,000. The Series 2011 Bonds shall mature in not more than thirty-one (31) years from their date or dates, shall be sold at a price not less than one hundred percent (100%) of the total principal amount thereof, shall bear interest at a rate or rates not to exceed three percent (3.00%) per annum, and shall be subject to redemption, all as shall be approved by the Mayor or Mayor pro tem in consultation with the Issuer's Financial Advisor, within the Parameters set forth on Exhibit C attached hereto and incorporated herein by reference

Section 2. The final interest rate or rates for the Series 2011 Bonds shall be set by the Mayor or Mayor Pro Tem, in consultation with the Financial Advisor, at the rate or rates which, taking into account the purchase price offered by the purchaser of the Series 2011 Bonds, will in the opinion of the Mayor or Mayor Pro Tem and the Financial Advisor result in the lowest cost of funding reasonably achievable given the manner of offering the Series 2011 Bonds at the time of the sale of the Series 2011 Bonds. The issuance of the Series 2011 Bonds shall be subject to the final approval of Bond Counsel and to the approval of the City Attorney for the Issuer.

Section 3. The appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Supplemental Indenture and the Series 2011 Bonds or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2011 Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or 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 4. The form of Supplemental Indenture attached hereto as Exhibit B is in all respects hereby authorized and approved, and the Mayor or Mayor pro tem and City Recorder are hereby authorized and directed to execute and deliver the same on behalf of the Issuer.

Section 5. The form, terms, and provisions of the Series 2011 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 or Mayor pro tem and City Recorder are hereby authorized and directed to execute and seal the Series 2011 Bonds and to deliver said Series 2011 Bonds to the trustee for authentication. The signatures of the Mayor or Mayor pro tem and the City Recorder may be by facsimile or manual execution.

Section 6. 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 2011 Bonds in accordance with the provisions of the Indenture.

Section 7. Upon their issuance, the Series 2011 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2011 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2011 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 8. 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 9. After the Series 2011 Bonds are delivered by the trustee to the purchaser thereof, and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the principal of, premium, if any, and interest on the Series 2011 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 10. The form of Supplemental Indenture authorized and approved hereby is authorized and approved with such additions, modifications, deletions, and changes thereto as may be deemed necessary or appropriate and approved by the City Attorney. The execution thereof by the Mayor or Mayor pro tem 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 11. The Issuer shall hold a public hearing on April 12, 2011, to receive input from the public with respect to (a) the issuance of the Series 2011 Bonds, and (b) the potential economic impact that the improvements to be financed with the proceeds of

the Series 2011 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first published (i) once a week for two consecutive weeks in the Daily Herald, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, no less than fourteen (14) days before the public hearing date. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in Spanish Fork City offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof. The Issuer directs its officers and staff to publish a "Notice of Public Hearing and Bonds to be Issued" in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on March 15, 2011, the City Council (the "Council") of Spanish Fork City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Water Revenue Bonds, Series 2011 (the "Series 2011 Bonds") (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer) and called a public hearing to receive input from the public with respect to (a) the issuance of the Series 2011 Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2011 Bonds may have on the private sector.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on April 12, 2011, at the hour of 6:00 p.m. at 40 South Main, Spanish Fork, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Series 2011 Bonds and (b) any potential economic impact that the Project to be financed with the proceeds of the Series 2011 Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE SERIES 2011 BONDS

The Series 2011 Bonds will be issued for the purpose of (a) financing the acquisition and construction of improvements to the System and related water improvements (collectively, the "Project") and (b) paying costs of issuance of the Series 2011 Bonds.

PARAMETERS OF THE SERIES 2011 BONDS

The Issuer intends to issue its Water Revenue Bonds, Series 2011 in the aggregate principal amount of not more than Three Million Dollars ($3,000,000), to mature in not more than thirty-one (31) years from their date or dates, to be sold at a price not less than one hundred percent (100%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed three percent (3.00%) per annum. The Series 2011 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General Indenture of Trust (the "General Indenture"), and a Supplemental Indenture of Trust (the "Supplemental Indenture" and together with the General Indenture, the "Indenture") which were before the Council and attached to the Resolution in substantially final form at the time of the adoption of the Resolution and said Supplemental Indenture is to be executed by the Council in such form and with such changes thereto as shall be approved by the Mayor or Mayor pro tem, and City Recorder; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2011 Bonds will not exceed the maximums set forth above.

A copy of the Resolution and the Indenture are on file in the office of Spanish Fork City Recorder, 40 South Main, Spanish Fork, Utah, where they may be examined

during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture, or the Series 2011 Bonds, or any provision made for the security and payment of the Series 2011 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this March 15, 2011.

/s/ Kent R. Clark
City Recorder

Section 12. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Project. The Series 2011 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2011 Bonds which will be issued to finance the reimbursed costs of the Project is not expected to exceed $3,000,000.

Section 13. The Issuer hereby reserves the right to opt not to issue the Series 2011 Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing with respect to (a) the issuance of the Series 2011 Bonds and (b) any potential economic impact that the Project to be financed with the proceeds of the Series 2011 Bonds may have on the private sector.

Section 14. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this March 15, 2011.

(SEAL)

By: _____
Mayor

ATTEST:

By: Kent R. Clark
City Recorder

(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.

(SEAL)

By: _____
Mayor

ATTEST:

By: Kent R. Clark
City Recorder

STATE OF UTAH)
: ss.
COUNTY OF UTAH)

I, Kent R. Clark, the duly appointed and qualified City Recorder of Spanish Fork City, Utah (the "City"), do hereby certify according to the records of the City Council of the City (the "City Council") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on March 15, 2011, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on March 15, 2011, and pursuant to the Resolution, there was published a Notice of Public Hearing and Bonds to be Issued no less than fourteen (14) days before the public hearing date: (a) one time each week for two consecutive weeks in the Daily Herald, a newspaper having general circulation within the City, the affidavit of which publication is hereby attached, (b) on the Utah Public Notice Website created under Section 63F-1-701 Utah Code Annotated 1953, as amended and (c) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this March 15, 2011.

(SEAL)

By: Kent R. Clark
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Kent R. 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 March 15, 2011, public meeting held by the City Council of the City (the "City Council") as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the City on March ___, 2011, 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 the Daily Herald on March ___, 2011, 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 posted 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 2011 Annual Meeting Schedule for the City Council (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 on _____, at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City on _____, 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 March 15, 2011.

(SEAL)

By: Kent R. Clark
City Recorder

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE

(attach Proof of Publication of
Notice of Bonds to be Issued)

EXHIBIT B

FORM OF INDENTURE

(See Transcript Document Nos. __ and__)

EXHIBIT C

PARAMETERS OF THE SERIES 2011 BONDS

Maximum Principal Amount not to exceed	$3,000,000
Maximum Rate of Interest not to exceed	3.00%
Discount from par not to exceed	0%
Final Maturity not to exceed	31 years from date of issuance