

Spanish Fork, Utah

May 15, 2012

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 May 15, 2012, 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
Brandon Gordon	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

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 May 15, 2012, 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 Leifson and seconded by Councilmember Dart, was adopted by the following vote:

AYE: 5

NAY: 0

The resolution is as follows:

RESOLUTION NO. 12-04

A RESOLUTION OF THE CITY COUNCIL OF SPANISH FORK CITY, UTAH (THE "ISSUER"), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$4,100,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2012; 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; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED AND THE RUNNING OF A CONTEST PERIOD; AUTHORIZING AND APPROVING THE EXECUTION OF A SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; 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 2012 (the "Series 2012 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"), (b) fund a deposit to a debt service reserve fund if necessary and (c) pay costs of issuance of the Series 2012 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 2012 Bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the Series 2012 Bonds and (ii) the potential economic impact that the improvement, facility or property for

which the Series 2012 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 2012 Bonds, including a notice of bonds to be issued, in compliance with the Act; 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 between the Issuer and the purchaser selected by the Issuer for the Series 2012 Bonds (the "Purchaser"), in substantially the form attached hereto as Exhibit C and

WHEREAS, in order to allow the Issuer flexibility in setting the pricing date of the Series 2012 Bonds, the Council desires to grant to the Mayor or Mayor pro tem (collectively, the "Mayor"), the City Manager of the Issuer (the "City Manager") or the Finance Director of the Issuer (the "Finance Director") of the Issuer (the "Designated Officers") the authority to select the Purchaser, and approve the final interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2012 Bonds shall be sold, to determine whether the Series 2012 Bonds should 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 this Resolution (the "Parameters");

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

Section 1. For the purpose of (a) financing the Project, (b) funding a deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance, the Issuer hereby authorizes the issuance of the Series 2012 Bonds which shall be designated "Spanish Fork City, Utah Water Revenue Bonds, Series 2012" (or with such other series or title designation as may be determined by the Issuer) in the initial aggregate principal amount of not to exceed \$4,100,000. The Series 2012 Bonds shall mature in not more than eleven (11) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a maximum net effective rate or rates of not to exceed five percent (5.0%) per annum, as shall be approved by any two of the Designated Officers, all within the Parameters set forth herein. The issuance of the Series 2012 Bonds shall be subject to the final approval of Bond Counsel and to the approval of the City Attorney for the Issuer.

Section 2. The Indenture and the Bond Purchase Agreement, in substantially the forms presented to this meeting and attached hereto as Exhibits B and C respectively, are hereby authorized, approved, and confirmed. The Mayor and the City Recorder are hereby authorized to execute and deliver the Indenture and the Bond Purchase Agreement, in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 3 hereof. The Designated Officers are each hereby authorized to select the

Purchaser, 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 2012 Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution. The execution of the Bond Purchase Agreement will signify the approval of the Designated Officers.

Section 3. The appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Series 2012 Bonds, the Bond Purchase Agreement, or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2012 Bonds (within the Parameters set by this Resolution), to conform to any applicable bond insurance or reserve instrument or to remove the same, 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, terms, and provisions of the Series 2012 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 the City Recorder are hereby authorized and directed to execute and seal the Series 2012 Bonds and to deliver said Series 2012 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 5. 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 2012 Bonds in accordance with the provisions of the Indenture.

Section 6. Upon their issuance, the Series 2012 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2012 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2012 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 7. 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 (including, but not limited to, tax compliance procedures) 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 8. After the Series 2012 Bonds are delivered by the Trustee to the Purchaser, 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 2012 Bonds

are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 9. The Issuer shall hold a public hearing on June 5, 2012, to receive input from the public with respect to (a) the issuance of the Series 2012 Bonds, and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2012 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](http://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 May 15, 2012, 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 2012 (the "Series 2012 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 2012 Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2012 Bonds may have on the private sector.

### TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on June 5, 2012, 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 2012 Bonds and (b) any potential economic impact that the Project to be financed with the proceeds of the Series 2012 Bonds may have on the private sector. All members of the public are invited to attend and participate.

### PURPOSE FOR ISSUING THE SERIES 2012 BONDS

The Series 2012 Bonds will be issued for the purpose of (a) financing the acquisition and construction of improvements to the Issuer's water system and related water improvements (collectively, the "Project") and (b) paying costs of issuance of the Series 2012 Bonds.

### PARAMETERS OF THE SERIES 2012 BONDS

The Issuer intends to issue its Water Revenue Bonds, Series 2012 in the aggregate principal amount of not more than Four Million One Hundred Thousand Dollars (\$4,100,000), to mature in not more than eleven (11) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed five percent (5.00%) per annum. The Series 2012 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 2012 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 2012 Bonds, or any provision made for the security and payment of the Series 2012 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 May 15, 2012.

\_\_\_\_\_  
/s/ Kent R. Clark  
City Recorder

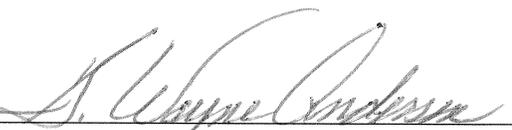
Section 10. For purposes of and in accordance with Section 265 of the Code, the Issuer hereby designates the Series 2012 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest 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 2012 will not exceed \$10,000,000. 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 2012 does not exceed \$10,000,000.

Section 11. 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 2012 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 2012 Bonds which will be issued to finance the reimbursed costs of the Project is not expected to exceed \$4,100,000.

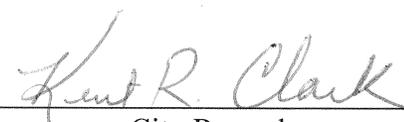
Section 12. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this May 15, 2012.

(SEAL)

By:   
Mayor

ATTEST:

By:   
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: *J. Wayne Anderson*  
Mayor

ATTEST:

By: *Kent R. Clark*  
City Recorder



STATE OF UTAH )  
 )  
COUNTY OF UTAH )

SS.

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 May 15, 2012, 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 May 15, 2012, 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](http://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 May 15, 2012.

(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 May 15, 2012, 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 May 11, 2012, 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 May 11, 2012, 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 2012 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 January 8, 2012, at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City on January 6, 2012, 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 May 15, 2012.



By: Kent R. Clark  
City Recorder

SCHEDULE 1  
NOTICE OF MEETING



The logo for Spanish Fork, Utah, features a mountain range silhouette in the center. Above the mountains, the word "SURROUND" is written in an arc. Below the mountains, the word "YOURSELF" is written in an arc. The words "Spanish Fork" are written in a large, elegant script font across the middle, with "UTAH" in a smaller font below it.

**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 **4:00 p.m. on May 15, 2012.**

**WORK SESSION:**

1. 4:00 pm – Site Visit; North Park Commercial Development
2. 5:00 pm – City Office Council Chambers – Meeting with Chamber of Commerce

**6:00 pm**

**AGENDA ITEMS:**

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

- a. Pledge, led by invitation
- b. Pleasant Grove City Royalty
- c. ALA Baseball Team

**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. SPANISH FORK 101: Storm Drain Utility Equivalent Service Units**

**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 – May 1, 2012

**6. NEW BUSINESS:**

- a. \* Drinking Water, Electric, Pressurized Irrigation, Storm Drain and Waste Water Masterplan Revisions
- b. \* Resolution #12-04 Consideration for adoption of a resolution of the City Council of Spanish Fork City, Utah authorizing the issuance and sale of not more than \$4,100,000 aggregate principal amount of Water Revenue Bonds, Series 2012; and related matters.
- c. \* Proposed Policy on Incentives for Existing Industries
- d. \* Ordinance #06-12 Amending Parking Requirements in Commercial Areas
- e. \* Ordinance #07-12 Amending Title 2 - Administration of Government; Title 4 - Employee Personnel System; Title 7 - General Government Boards, Commissions, and Committees
- f. Historical Committee Board Appointments

**ADJOURN:**

\* Supporting documentation is available on the City's website [www.spanishfork.org](http://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](http://www.spanishfork.org)

SCHEDULE 2

ANNUAL MEETING SCHEDULE

PROOF Of PUBLICATION  
from  
The Daily Herald

STATE OF UTAH } SS.  
Utah County

LEGAL NOTICES

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.

- 2012
- January 3, 17
- February 7, 21
- March 6, 20
- April 3, 17
- May 1, 15
- June 5, 19
- July 3, 17
- August 7, 21
- September 4, 18
- October 2, 16
- November 6, 20
- December 4, 18

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 801-804-4531.  
Legal Notice 382413 Published in The Daily Herald January 6, 2012

I, Lisa Llewelyn, being first duly sworn depose and say that I am the Legal Billing Clerk of the Daily Herald, a newspaper of general circulation, published seven times each week at Provo, Utah, County of Utah; that the notice attached hereto, 382413- PUBLIC NOTICE, and which is a copy, was published in said newspaper, the first publication having been made on the 6th day of January, 2012, and the last on the 6th day of January, 2012; that said notice was published in the regular and entire issue of every number of the paper during the period and times of publication, and the same was published in the newspaper proper and not in the supplement.

Same was also published online at utahlegals.com, according to Section 45-1-101, Utah Code Annotated beginning on the first date of publication and for 30 days thereafter.

*Lisa Llewelyn*

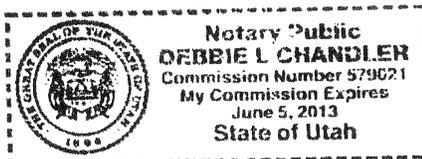
Subscribed and sworn before me this 6th day of January, 2011.

*Debbie L Chandler*

Notary Public

Residence: Spanish Fork, UT

My commission expires 06/05/2013



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

EXHIBIT B

FORM OF INDENTURE

[See Transcript Document Nos. \_\_ and \_\_]

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

[See Transcript Document No. \_\_\_]