

Santaquin, Utah

May 16, 2012

A regular meeting of the City Council of Santaquin City, Utah, was held on May 16, 2012, at 7:00 p.m. at the regular meeting place of said City Council, at which meeting there were present and answering roll call the following members who constituted a quorum:

James E. DeGraffenreid	Mayor
Keith Broadhead	Councilmember
Matthew Carr	Councilmember
James Linford	Councilmember
Richard Payne	Councilmember
Rick Steele	Councilmember

Also present:

Susan Farnsworth	City Recorder
Ben Reeves	City Manager

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 16, 2012, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by Councilmember Carr and seconded by Councilmember Steele, adopted by the following vote:

AYE: Broadhead  
 Carr  
 Linford  
 Payne  
 Steele

NAY: Mr

The resolution was then signed by the Mayor in open meeting and recorded by the City Recorder. The resolution is as follows:

RESOLUTION NO. 05-04-2012

A RESOLUTION OF THE CITY COUNCIL OF SANTAQUIN CITY, UTAH (THE "ISSUER"), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$6,600,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE REFUNDING 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 BONDS TO BE ISSUED AND THE RUNNING OF A CONTEST PERIOD; AUTHORIZING AND APPROVING THE EXECUTION OF A GENERAL INDENTURE OF TRUST, 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 Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act"), the City Council (the "Council") of the Issuer has the authority to issue its Water Revenue Refunding Bonds, Series 2012 (or with such other series or title designation as may be determined by the Issuer) (the "Series 2012 Bonds"), payable from the net revenues of its existing water system (the "System"), to achieve a debt service savings; and

WHEREAS, the Issuer has previously issued certain outstanding water revenue bonds (the "Refunded Bonds"); and

WHEREAS, subject to the limitations set forth herein, the Issuer desires to issue its Series 2012 Bonds to (a) refund all or a portion of the outstanding Refunded Bonds, (b) fund 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, and a Supplemental Indenture of Trust (collectively, the "Indenture"), both by and between the Issuer and a trustee to be selected (the "Trustee"), in substantially the forms presented to the meeting at which this Resolution was adopted and which are attached hereto as Exhibit B; 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 (with the consultation and approval of the Issuer's Financial Advisor, Zions Bank Public Finance (the "Financial Advisor")) flexibility in setting the pricing date of the Series 2012 Bonds to optimize debt service savings to the Issuer, the Council desires to grant to the Mayor or Mayor pro tem (collectively, the "Mayor") and City Manager (the "City Manager") of the Issuer (the "Designated Officers") the authority to select the Purchaser and the Trustee, 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 Santaquin City, Utah, as follows:

Section 1. For the purpose of (a) refunding the Refunded Bonds, (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 "Santaquin City, Utah Water Revenue Refunding 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 \$6,600,000. The Series 2012 Bonds shall mature in not more than sixteen (16) years from their date or dates, shall be sold at a price not less than ninety-seven percent (97%) 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 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, in consultation with the Financial Advisor, 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 and the Trustee, 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 shall 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 an escrow deposit agreement) 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. In accordance with the provisions of the Act, the City Recorder will cause a "Notice of Bonds to be Issued" to be (i) published one (1) time in The

Payson Chronicle, a newspaper of general circulation in the Issuer, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted 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, and shall cause a copy of this Resolution and the Indenture to be kept on file in the City Recorder's office in Santaquin City, Utah, for public examination during the regular business hours of the City until at least thirty (30) days after the date of publication thereof. The "Notice of Bonds to be Issued" shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, that on May 16, 2012, the City Council (the "Council") of Santaquin City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Water Revenue Refunding Bonds, Series 2012 (or with such other series or title designation as may be determined by the Issuer) (the "Series 2012 Bonds") in the aggregate principal amount of not more than Six Million Six Hundred Thousand Dollars (\$6,600,000), to mature in not more than sixteen (16) years from their date or dates, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, and to bear interest at a maximum net effective rate or rates of not to exceed five percent (5.0%) per annum, plus accrued interest to the date of delivery. No deposit is currently contemplated in connection with the sale of the Series 2012 Bonds.

The Series 2012 Bonds will be issued for the purpose of (a) refinancing certain outstanding water revenue bonds of the Issuer, (b) funding a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Series 2012 Bonds.

The Series 2012 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a form of a General Indenture of Trust, and a Supplemental Indenture of Trust (collectively, the "Indenture"), which were before the Council and attached to the Resolution in substantially final form at the time of adoption of the Resolution.

The Series 2012 Bonds are special limited obligations of the Issuer payable from the net revenues of the Issuer's water system.

A copy of the Resolution and the Indenture are on file in the office of the City Recorder, 45 West 100 South, Santaquin City, Utah, where they may be examined during regular business hours of the City Recorder from 9:00 a.m. to 5:00 p.m. Monday through Thursday and 9:00 a.m. to 1:00 p.m. on Friday, for a period of at least thirty (30) days from and after the date of publication of this notice.

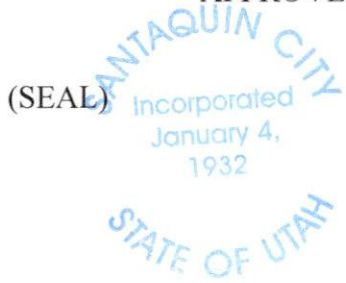
NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (only as it relates to the Series 2012 Bonds), or the 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 16, 2012

\_\_\_\_\_  
/s/ Susan Farnsworth  
City Recorder

Section 10. 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 16, 2012.



By:  \_\_\_\_\_  
Mayor

ATTEST:

By:  \_\_\_\_\_  
City Recorder

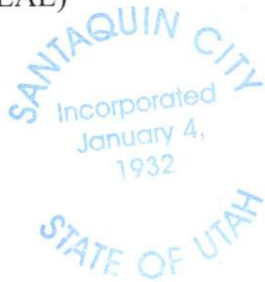
STATE OF UTAH            )  
                                  : ss.  
COUNTY OF UTAH        )

I, Susan Farnsworth, hereby certify that I am the duly qualified and acting City Recorder of Santaquin City, Utah.

I further certify that the above and foregoing instrument constitutes a true and correct copy of the proceedings of a public meeting of the City Council of Santaquin City, Utah, including a resolution (the "Resolution") adopted at said meeting held on May 16, 2012, as said proceedings and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on May 16, 2012.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said City this May 16, 2012.

(SEAL)



By: SBFarnsworth  
          City Recorder



EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Susan Farnsworth, the undersigned City Recorder of Santaquin 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 16, 2012, 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 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 Payson Chronicle 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 Meeting 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 Jan 2, 2012, at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City on Jan 2, 2012, and (c) published on the Utah Public Meeting Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this May 16, 2012.

(SEAL)



By: \_\_\_\_\_

SFarnsworth  
City Recorder

SCHEDULE 1  
NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE

EXHIBIT B

FORM OF INDENTURE

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

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

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