

Salt Lake City, Utah

January 22, 2014

The governing board (the “*Board*”) of the Utah Charter School Finance Authority (the “*Authority*”) met in the office of the Utah State Treasurer in Salt Lake City, Utah, on January 22, 2014, at 2:00 p.m. The following members of the Board were present:

Richard K. Ellis	Chair
Juliette Tennert	Vice Chair

Absent:	
Bruce D. Williams	Secretary/Member.

Also present:

David Damschen	Chief Deputy State Treasurer
Bryce H. Pettey	Attorney General’s Office
Perri Babalis	Attorney General’s Office

After the meeting had been duly called to order, the Chair presented to the Board an affidavit evidencing the giving of not less than 24 hours’ public notice of the agenda, date, time and place of the January 22, 2014, meeting of the Board in compliance with the requirements of Section 52-4-202(1), Utah Code Annotated 1953, as amended, by (1) posting written notice of the meeting at the principal office of the Authority at the offices of the State Treasurer, C180 State Capitol Complex (Room 180 in the State Capitol), Salt Lake City, Utah, (2) providing notice to at least one newspaper of general circulation within the geographic jurisdiction of the Authority, or to a local media correspondent, and (3) posting written notice of the meeting at the Utah Public Notice Website. The affidavit was ordered recorded in the minutes of the meeting and is as follows:

STATE OF UTAH                    )  
  )  
COUNTY OF SALT LAKE        )

I, the undersigned, the duly qualified and acting Secretary of the Utah Charter School Finance Authority (the “*Authority*”), do hereby certify, according to the records of the Authority in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202(1), Utah Code Annotated 1953, as amended, I gave not less than 24 hours’ public notice of the agenda, date, time and place of the January 22, 2014, public meeting held by the governing board of the Authority (the “*Board*”) by:

(a) causing a Notice of Public Meeting in the form attached hereto as *Exhibit A* to be posted at the principal office of the Authority at the offices of the State Treasurer, C180 State Capitol Complex (Room 180 in the State Capitol), Salt Lake City, Utah, at least 24 hours before the convening of the meeting, said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the Authority until the convening of the meeting;

(b) causing a copy of the Notice of Public Meeting in the form attached hereto as *Exhibit A* to be provided at least 24 hours before the convening of the meeting, to *The Salt Lake Tribune* and *Deseret News*, newspapers of general circulation within the geographic jurisdiction of the Authority, and to each local media correspondent, newspaper, radio station or television station that has requested notification of meetings of the Board; and

(c) causing a Notice of Public Meeting to be posted at the Utah Public Notice Website at least 24 hours before the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my signature hereon this January 22,  
2014.

By \_\_\_\_\_  
Vice Chair

**EXHIBIT A**

[ATTACH NOTICE OF PUBLIC MEETING]

As required by Section 52-4-203, Utah Code Annotated 1953, as amended, written minutes and a recording of this meeting are being kept.

Thereupon, after the conduct of other business, the following resolution was introduced in written form and, pursuant to motion duly made by \_\_\_\_\_, was adopted by the following vote:

AYE:

NAY:

ABSENT: Bruce D. Williams.

The resolution was then signed by the Chair in open meeting and recorded by the Secretary in the official records of the Authority. The resolution is as follows:

**RESOLUTION NO. 2014-\_\_\_\_\_**

RESOLUTION DECLARING THE INTENT OF THE UTAH CHARTER SCHOOL FINANCE AUTHORITY TO ISSUE UP TO \$12,000,000 OF ITS CHARTER SCHOOL REVENUE REFUNDING BONDS (MONTICELLO ACADEMY), SERIES 2014, 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; SCHEDULING A PUBLIC HEARING; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND OF BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, pursuant to the Charter School Financing Act, Title 53A, Chapter 20b, Utah Code Annotated 1953, as amended, and the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (collectively, the “Act”), the Utah Charter School Finance Authority (the “Authority”) is authorized to issue revenue bonds to finance or refinance the acquisition, construction or rehabilitation of buildings, structures, property and equipment owned, or to be acquired by, a charter school for any of its educational purposes; and

WHEREAS, there has been presented to the governing board of the Authority (the “Board”) at this meeting a financing application from Monticello Academy, Inc., a Utah nonprofit corporation (the “Borrower”), asking the Board to issue its charter school revenue bonds in one or more series (collectively, the “Bonds”) in order to (i) refund the outstanding Charter School Revenue Refunding Bonds (Monticello Academy), Series 2007 (the “Refunded Bonds”) that were issued by the Issuer on behalf of the Borrower to finance the costs of acquiring, constructing, improving and furnishing charter school facilities in West Valley, Utah, (ii) fund a debt service reserve, and (iii) pay costs of issuance of the Bonds; and

WHEREAS, the forms of an Indenture of Trust, attached hereto as *Exhibit A* (the “Indenture”) and a Loan Agreement, attached hereto as *Exhibit B* (the “Loan Agreement”) relating to the Bonds have been prepared and presented to the Board in connection with the adoption of this resolution (the “Resolution”); and

WHEREAS, the Board deems it necessary and advisable to approve the use of a preliminary official statement (the “Preliminary Official Statement”) relating to the Bonds, in substantially the form attached hereto as *Exhibit C*; and

WHEREAS, the Board desires to delegate to any of the Chair, Vice Chair and Secretary, the authority to approve, within the parameters set forth in this resolution, the final interest rate or rates, purchase price, principal amount, maturity or maturities, redemption features and other terms of the Bonds for and on behalf of the Authority (with the consent of the Borrower), as provided herein; and

WHEREAS, the Authority desires to schedule a public hearing with respect to the issuance of the Bonds and authorize the publication of notice of such public hearing, and the Authority also desires to publish a Notice of Bonds to Be Issued pursuant to Section 11-17-16;

NOW, THEREFORE, it is hereby resolved by the Board, as follows:

*Section 1.* (a) In furtherance of the purposes of the Act, the Board hereby expresses its intent to issue and authorizes the issuance of up to \$12,000,000 aggregate principal amount of the Authority's Charter School Revenue Refunding Bonds (Monticello Academy), Series 2014 in one or more series (collectively, the "*Bonds*"), to bear interest at a weighted average interest rate of not to exceed 5.5% per annum, which interest may be federally taxable or tax-exempt, to mature in not more than 28 years, and to be sold to the purchasers thereof at a discount of not more than 3% of the principal amount thereof. The proceeds of the Bonds shall be loaned to the Borrower for the purpose of (i) refunding the Refunded Bonds, (ii) funding a debt service reserve, and (iii) paying costs of issuance of the Bonds. The Authority hereby declares its intention to issue the Bonds pursuant to the terms of the Indenture and to loan the proceeds of the Bonds to the Borrower or an affiliate of the Borrower pursuant to the terms of the Loan Agreement.

(b) There is hereby delegated to any of the Chair, Vice Chair and Secretary, subject to the limitations contained in this Section and in paragraph (a) above, the power and authority to determine and effectuate the following with respect to the Bonds:

- (i) the aggregate principal amount of the Bonds to be executed and delivered;
- (ii) the number of series of Bonds to be issued and whether the interest on each such series shall be federally taxable or tax-exempt;
- (iii) the maturity date or dates and principal amount of each maturity of the Bonds to be issued;
- (iv) the interest rate or rates of the Bonds;
- (v) the sale of the Bonds to the Underwriter (hereinafter defined) pursuant to the Bond Purchase Agreement (hereinafter defined) and the purchase price to be paid by the Underwriter for the Bonds;
- (iv) the Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts of such payments;
- (vii) the optional redemption date of the Bonds, if any;



(viii) the terms of any commitment or commitments to issue a bond insurance policy and/or a debt service reserve surety bond, if applicable; and

(ix) any other provisions deemed advisable by the Chair, Vice Chair or Secretary not materially in conflict with the provisions of this Resolution.

Immediately following the pricing of the Bonds, any of the Chair, Vice Chair and Secretary shall obtain such information as he or she deems necessary to make such determinations as provided above and consult with the Issuer's financial advisor and the Borrower and thereupon, the Chair, Vice Chair or Secretary shall make such determinations as provided above and shall execute the Bond Purchase Agreement (defined below), a Certificate of Determination or other showing as determined appropriate by such officer containing such terms and provisions of the Bonds, which execution shall be conclusive evidence of the action or determination of the officer as to the matters stated therein. The provisions so approved shall be deemed to be incorporated in this Resolution.

(c) The Bonds are to be issued in accordance with and pursuant to, and any of the Chair, Vice Chair or Secretary are authorized and directed to execute and deliver, the Indenture and the Loan Agreement, in substantially the same forms presented to the Board at the meeting at which this resolution was adopted, with such changes as shall be approved by the officer executing the same, his or her execution thereof to constitute such approval, and take all such action as shall be necessary to carry out the terms and provisions thereof.

The Bonds shall not constitute nor give rise to a general obligation or liability of the Authority or the State of Utah or a charge against the general credit of the Authority or the general credit or taxing power of the State of Utah. Recourse on the Bonds executed and delivered by authorized officers of the Authority pursuant to the Indenture may be had only against the security for the Bonds as provided therein and in the Indenture. The form, terms and provisions of the Bonds and the provisions for the execution, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Chair, Vice Chair and Secretary are hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication.

*Section 2.* The Authority hereby consents to the use and distribution by Citigroup Global Markets Inc. and George K. Baum & Company, as underwriters for the Bonds (collectively, the "Underwriter"), of the Preliminary Official Statement, in substantially in the form attached hereto as *Exhibit C*, with such changes as are necessary or appropriate, in connection with the offering of the Bonds. The Authority hereby authorizes the use and distribution by the Underwriter of a final official statement, substantially in the form of the Preliminary Official Statement with such changes as are necessary or appropriate, in connection with the offering of the Bonds.

*Section 3.* The sale of the Bonds to the Underwriter in accordance with a bond purchase agreement (the "*Bond Purchase Agreement*"), the form of which shall be determined by any of the Chair, Vice Chair and Secretary and shall not be in conflict with the provisions of this Resolution, is hereby authorized, approved and confirmed. The Chair, Vice Chair and Secretary are hereby authorized to execute and deliver the Bond Purchase Agreement for and on behalf of the Authority.

*Section 4.* In accordance with the provisions of the Act and in order to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended, the Authority or its designee is hereby authorized to publish one time in a newspaper qualified to carry legal notices and having general circulation within Salt Lake County, Utah, a “Notice of Public Hearing and of Bonds to Be Issued” at least 14 days prior to the hearing date set forth in such notice, and the Board or its designee will be present on such date to receive public comment on the proposed issuance of Bonds. The Authority shall also cause a copy of this Resolution, the Final Bond Resolution, the Indenture and the Loan Agreement to be kept on file in the Authority’s principal offices for public examination during the regular business hours of the Authority until at least 30 days from and after the date of publication of such notice. The Notice of Public Hearing and Notice of Bonds to Be Issued shall be in substantially the following form:

#### **NOTICE OF PUBLIC HEARING AND NOTICE OF BONDS TO BE ISSUED**

NOTICE IS HEREBY GIVEN that on January 22, 2014, the Utah Charter School Finance Authority (the “*Authority*”) adopted a resolution (the “*Resolution*”) declaring its intent to issue charter school revenue bonds, in an amount not to exceed \$12,000,000, in one or more series (the “*Bonds*”), to bear interest at a weighted average interest rate of not to exceed 5.5% per annum, which interest may be federally taxable or tax-exempt, to mature in not more than 28 years, and to be sold to the purchasers thereof at a discount of not more than 3% of the principal amount thereof, pursuant to the Charter School Financing Act, Title 53A, Chapter 20b Utah Code Annotated 1953, as amended, and the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (collectively, the “*Act*”). The Authority or its designee shall hold a public hearing on February 11, 2014 at the hour of 9:00 a.m. at the offices of the State Treasurer, C180 State Capitol Complex (Room 180 in the State Capitol), Salt Lake City, Utah to receive input from the public with respect to the issuance of the Bonds and the financing of the costs of the Project (defined below). The Authority proposes to loan the proceeds of the Bonds to Monticello Academy, Inc., a Utah non-profit corporation, or an affiliate of Monticello Academy, Inc. (the “*Borrower*”), pursuant to the terms of a Loan Agreement (the “*Loan Agreement*”), a form of which was presented to the Board of the Authority at the time of adoption of the Resolution, for the purpose of (i) refunding certain outstanding bonds issued on behalf of the Borrower to finance the costs of acquiring, constructing, improving and furnishing charter school facilities in West Valley, Utah (the “*Project*”), (ii) funding a debt service reserve, and (iii) paying costs of issuance of the Bonds. The Project will be owned and operated by the Borrower.

The Bonds shall be special obligations of the Authority payable solely from amounts provided by the Borrower, including monies and securities held from time to time under an Indenture of Trust (the “*Indenture*”), a form of which was presented to the Board of the Authority at the time of adoption of the Resolution, and amounts that may be appropriated by the State of Utah pursuant to the Act. The Bonds and the interest thereon will not be a general obligation debt of the Authority, the State of Utah or any political subdivision thereof, and none of the Authority, the State of Utah nor any political subdivision thereof will be liable thereon, and in no event will the Bonds or the interest thereon be payable out of any funds or properties other than those expressly provided therefor under the Indenture.

The Bonds shall be issued pursuant to the Resolution and the Indenture. The Indenture and the Loan Agreement may contain such additional or alternative terms and provisions as shall be approved by the governing board of the Authority; *provided* that the principal amount, interest

rate or rates, maturity and discount, if any, will not exceed the respective maximums described in the Resolution. Copies of the Resolution, the Indenture and the Loan Agreement are on file in the offices of the Authority, Utah State Treasurer, C180 State Capitol Complex (Room 180 in the State Capitol), Salt Lake City, Utah, where they may be examined from 8:00 a.m. to 5:00 p.m., Monday through Friday, for a period of at least 30 days from and after the date of publication of this notice.

All members of the public are invited to attend and participate in the public hearing. Written comments may be submitted to the Utah Charter School Finance Authority, Utah State Treasurer, C180 State Capitol Complex (Room 180 in the State Capitol), P.O. Box 142315, Salt Lake City, Utah 84114-2315, Attention Chief Deputy State Treasurer. Written comments should be mailed in sufficient time to be received before the February 11, 2014, public hearing. Additional information can be obtained from the Authority at its office shown above or by calling (801) 538-1042. Subsequent to the public hearing, the Governor of the State of Utah will consider approving the issuance of the Bonds.

NOTICE IS FURTHER GIVEN that a period of 30 days after the date of 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, the Loan Agreement or the Bonds, or any provision made for the security and payment of the 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 January 22, 2014.

UTAH CHARTER SCHOOL FINANCE AUTHORITY

By \_\_\_\_\_  
Secretary

*Section 6.* If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

*Section 7.* The Chair, Vice Chair and Secretary of the Authority 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 Authority, its officers and employees, with respect to the issuance and sale of the Bonds is hereby ratified and confirmed.

*Section 8.* All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

*Section 9.* This Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED January 22, 2014.

UTAH CHARTER SCHOOL FINANCE AUTHORITY

By \_\_\_\_\_  
Chair

ATTEST:

By \_\_\_\_\_  
Vice Chair

After the conduct of other business not pertinent to the foregoing, the meeting was adjourned.

By \_\_\_\_\_  
Chair

ATTEST:

By \_\_\_\_\_  
Vice Chair

I, Juliette Tennert, the duly appointed and qualified Vice Chair of the Utah Charter School Finance Authority (the “*Authority*”), do hereby certify according to the records of the governing board of the Authority (the “*Board*”) that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of such Board held on January 22, 2014, including a resolution adopted at such meeting as such minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature hereon this January 22, 2014.

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Secretary

**EXHIBIT A**

[INDENTURE]



**EXHIBIT B**

[LOAN AGREEMENT]

**EXHIBIT C**

[PRELIMINARY OFFICIAL STATEMENT]