

Salt Lake City, Utah

August 27, 2014

The governing board of the Utah Charter School Finance Authority met in a special meeting at the office of the State Treasurer in Salt Lake City, Utah, on Wednesday, August 27, 2014, at the hour of 1:00 p.m., with the following members being present:

|                   |            |
|-------------------|------------|
| Richard Ellis     | Chair      |
| Juliette Tennert  | Vice Chair |
| Bruce D. Williams | Secretary  |

Also present:

Absent:

After the meeting had been duly called to order, the Secretary presented to the governing board a Certificate of Compliance with Open Meeting Law with respect to this August 27, 2014 meeting, a copy of which is attached hereto as Exhibit A.

After the conduct of business not related to the matters contained in this excerpt of minutes, the following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by \_\_\_\_\_, was adopted by the following vote:

AYE:

NAY:

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

RESOLUTION NO. 2014 - \_\_

A RESOLUTION PROVIDING FOR THE FINANCING AND REFINANCING BY THE UTAH CHARTER SCHOOL FINANCE AUTHORITY (THE "AUTHORITY") OF THE ACQUISITION AND CONSTRUCTION OF CERTAIN SCHOOL FACILITIES, INCLUDING BUILDINGS, EQUIPMENT AND LAND, LOCATED IN NORTH SALT LAKE CITY, DAVIS COUNTY, UTAH AND WOODS CROSS CITY, DAVIS COUNTY, UTAH IN ORDER THAT LEGACY PREPARATORY ACADEMY (THE "BORROWER") MAY BE PROVIDED WITH FACILITIES TO PROVIDE EDUCATION SERVICES; AUTHORIZING AND PROVIDING FOR THE ISSUANCE BY THE AUTHORITY OF ITS CHARTER SCHOOL REVENUE AND REFUNDING BONDS (LEGACY PREPARATORY ACADEMY) SERIES 2014 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$19,000,000 WHICH WILL BE PAYABLE SOLELY FROM THE REVENUES PLEDGED THEREFORE UNDER THE TRUST INDENTURE AND AMOUNTS THAT MAY BE APPROPRIATED BY THE STATE; AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF A TRUST INDENTURE, A BOND PURCHASE AGREEMENT, A LOAN AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; SCHEDULING A PUBLIC HEARING; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND OF BONDS TO BE ISSUED; PROVIDING FOR A CONTEST PERIOD; DESIGNATING THE BORROWER AS A QUALIFYING CHARTER SCHOOL FOR PURPOSES OF PARTICIPATION IN THE AUTHORITY'S CREDIT ENHANCEMENT PROGRAM; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY FOR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND 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 (together, 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, the Act provides that the Authority may issue revenue bonds for the purpose of using substantially all of the proceeds thereof to pay or to reimburse a user for the costs of the acquisition, construction, rehabilitation and equipping of the facilities of a project and that title to or in such facilities may at all times remain in the user, and in such case the bonds of the Authority may be secured by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the user; and

WHEREAS, Legacy Preparatory Academy, a Utah nonprofit corporation (the “Borrower”) previously financed the construction and acquisition of certain school facilities, including land, buildings and equipment, located at approximately 1375 West Center Street in North Salt Lake City, Utah, (the “North Salt Lake Campus Project”) and 2214 South 1250 West in Woods Cross City, Utah (the “Woods Cross Campus Project” and together with the North Salt Lake Campus Project, the “Project”) through the issuance and sale of the Authority’s \$5,780,000 Charter School Revenue Bonds (Legacy Preparatory Academy) Series 2008 (the “Series 2008 Bonds”) and its \$7,800,000 Charter School Revenue Bonds (Legacy Preparatory Academy #2) Series 2009 (collectively, the “Prior Bonds”); and

WHEREAS, there has been presented to the governing board of the Authority (the “Board”) a financing application from the Borrower, asking the Board to issue its charter school revenue bonds to (i) refund the Prior Bonds, (ii) finance the acquisition and construction of an expansion to the Woods Cross Campus Project, (iii) fund a debt service reserve fund, and (iv) pay certain issuance expenses (collectively, the Series 2014 Project”); and

WHEREAS, the Project will be of the character and will accomplish the purposes provided by the Act, and the Authority is willing to issue its charter school revenue bonds to finance and refinance the Project upon terms which will be sufficient to pay a portion of the costs of the Project as evidenced by such bonds, all as set forth in the details and provisions of the loan agreement (the “Loan Agreement”) between the Authority and the Borrower in substantially the form presented at this meeting; and

WHEREAS, pursuant to the provisions of the Loan Agreement, the Borrower will promise to pay amounts sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds (defined below), all in accordance with the requirements of the Act; and

WHEREAS, pursuant to the provisions of the Act, the Authority proposes to enter into (i) the Loan Agreement with the Borrower in connection with the financing and refinancing of the Project, and (ii) a trust indenture (the “Indenture”), in substantially the form presented at this meeting, with U.S. Bank National Association, as trustee (the “Trustee”), pursuant to which the Authority will issue in one or more series, its Charter School Revenue and Refunding Bonds (Legacy Preparatory Academy) Series 2014 in the aggregate principal amount not to exceed \$19,000,000 (the “Bonds”); and

WHEREAS, the Board deems it necessary and advisable to authorize the issuance and sale of the Bonds, and to authorize the execution and delivery of the Loan Agreement, the Indenture, a bond purchase agreement among the Authority, the Borrower and D.A. Davidson & Co. and RBC Capital Markets each on behalf of itself and any other underwriters named therein (the “Underwriter”) (the “Bond Purchase Agreement”) in substantially the form presented at this meeting, and other related documents required for the sale of the Bonds, and to ratify the use of a preliminary official statement (the “Preliminary Official Statement”) relating to the Bonds in substantially the form presented at this meeting; and

WHEREAS, the Act provides for the publication of a notice of bonds to be issued and the Authority desires to authorize the publication of such a notice in compliance with the Act and to authorize the publication of a notice of public hearing to be held by, or on behalf of, the Authority with respect to the issuance of the Bonds and the financing of the Project; and

WHEREAS, the Act and the documents to be signed by the Authority provide that the Bonds shall not constitute nor give rise to a pecuniary liability of the Authority, or constitute a debt, liability or loan of credit or a pledge of the full faith and credit or taxing power of the State of Utah or of any political subdivision thereof, and that the Bonds will be payable from and secured by the revenues arising from the pledge and assignment under the Indenture and the Loan Agreement to the Trustee and other collateral provided by the Borrower, including a mortgage in the Project; and

WHEREAS, the Board desires to grant to the Chair, Vice Chair and/or Secretary of the Board the authority to approve the interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Bonds shall be sold and any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution; provided such terms do not exceed the parameters set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the governing board of the Utah Charter School Finance Authority as follows:

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

Section 2. The Authority is authorized to issue the Bonds for the purpose of lending the proceeds thereof to the Borrower to finance and refinance the costs of the Project, all pursuant to the provisions of the Act. All actions heretofore taken by the Authority directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

Section 3. The Board hereby designates the Borrower as a qualifying charter school for purposes of participation in the Credit Enhancement Program as defined in the Act.

Section 4. The Authority is authorized and directed to issue the Bonds as fully registered bonds, in an aggregate principal amount not to exceed \$19,000,000. The Bonds shall mature on or prior to December 31, 2047 and shall bear interest at interest rates not exceeding a weighted average rate of 6.0% and as provided in the Indenture and shall be sold at not less than ninety-seven percent (97%) of the principal amount thereof (exclusive of underwriter's discount). The Bonds shall be payable on the dates and shall be subject to redemption prior to maturity, all as set forth in the Indenture. The Chair, Vice Chair or Secretary shall approve the form, terms and provisions of the Bonds (including, but not limited to, the final interest rate or rates, price, principal amount, maturity or maturities and redemption features) within the parameters set forth herein,

such officer's execution of the Indenture and the Bond Purchase Agreement to constitute conclusive evidence of such approval. The form, terms and provisions of the Bonds, and the provisions for the execution, authentication, payment, registration, transfer, exchange, redemption, and number of the Bonds, 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. The signatures of the Chair, Vice Chair and Secretary may be by facsimile or manual execution.

Section 5. The Bonds are to be issued in accordance with, and pursuant to, and the Chair, Vice Chair and Secretary are authorized and directed to execute and deliver, the Indenture, the Loan Agreement and the Bond Purchase Agreement, in substantially the same forms presented to the Board at the meeting at which this resolution was adopted. The Indenture provides for the issuance of the Bonds solely for the purpose of financing and refinancing the cost of acquiring, constructing and equipping the Project, funding a reserve, and paying expenses incidental thereto. The Bonds shall be special obligations of the Authority payable solely from the trust estate 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 of any political subdivision thereof, and neither the Authority, the State of Utah nor any political subdivision will be liable thereon. The issuance of the Bonds shall not directly, indirectly or contingently, obligate the Authority, the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Section 6. The Project will constitute school facilities to be used in the Borrower's non-profit business consisting of the buildings and equipment and related property and improvements, including any modification thereof, substitutions therefor and amendments thereto.

Section 7. The Indenture and Loan Agreement, in substantially the forms presented to the Board at this meeting, with such changes as are authorized by Section 9 hereof, are hereby approved in all respects, and the Chair, Vice Chair and Secretary are hereby authorized to execute each of the same on behalf of the Authority, and to affix the seal, if any, of the Authority thereto, and the acts of the Chair, Vice Chair and Secretary in so doing are and shall be the acts and deeds of the Authority. The Chair, Vice Chair and Secretary, and all other proper officers and employees of the Authority, are hereby authorized and directed to take all steps on behalf of the Authority to perform and discharge the obligations of the Authority under each of said instruments.

Section 8. The sale of the Bonds to the Underwriter in accordance with the Bond Purchase Agreement is hereby authorized, approved and confirmed. The Chair, Vice Chair and Secretary are hereby authorized to execute and deliver the Bond Purchase Agreement all for and on behalf of the Authority. The Authority hereby consents to the use of the Preliminary Official Statement 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 9. The Chair, Vice Chair and Secretary are hereby authorized to make, either prior or subsequent to the execution thereof, any alterations, changes or additions in the Indenture, the Loan Agreement, the Bond Purchase Agreement and the Bonds herein authorized which may be necessary (i) to correct any errors or omissions therein, (ii) to remove ambiguities therefrom, or (iii) to conform the same to other provisions of said instruments, to the agreement of the Borrower and the Underwriter, to the provisions of this resolution, or any other resolution adopted by the Authority, or the provisions of the laws of the State of Utah or the United States, as long as the rights of the Authority are not materially adversely affected thereby.

Section 10. It is hereby declared that all parts of this resolution are severable and that if any section, paragraph, 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, paragraph, clause or provision shall not affect the remaining provisions of this resolution.

Section 11. 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 actions heretofore taken by the Authority, its officers and employees, with respect to the issuance and sale of the Bonds are hereby ratified, approved and confirmed.

Section 12. 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 Board or its designee, is hereby authorized to publish one time in a newspaper qualified to carry legal notices and having general circulation within Utah County, Utah and Salt Lake County, Utah, a "Notice of Public Hearing and of Bonds to be Issued" at least fourteen (14) days prior to the hearing date set forth in said 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 "Resolution"), the Trust Indenture and the Loan Agreement relating to the Bonds 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 thirty (30) days from and after the date of publication thereof. The "Notice of Public Hearing and of Bonds to be Issued" shall be in substantially the following form:

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

NOTICE IS HEREBY GIVEN that on August 27, 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 \$19,000,000 (the "Bonds") and to mature on or prior to December 31, 2047, 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 [\_\_\_\_\_], September [\_\_\_], 2014, at the hour of [\_\_\_\_\_]. at the offices of the Authority, Utah 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 and refinancing of the Project (as defined below). The Authority proposes to loan the proceeds of the Bonds to Legacy Preparatory Academy, a Utah non-profit corporation (the "Borrower") pursuant to the terms of a loan agreement (the "Loan Agreement") for the purpose of (i) refinancing certain indebtedness of the Borrower incurred in connection with the prior acquisition, construction and equipping of certain school buildings containing approximately 58,213 square feet on a site of approximately 5.0 acres located at approximately 2214 South 1250 West in Woods Cross City, Utah (the "Woods Cross Campus Project") and certain school buildings containing approximately 30,000 square feet on a site of approximately 4.5 acres located at 1375 West Center Street North Salt Lake, Utah (the "North Salt Lake Campus Project" and together with the Woods Cross Campus Project, the "Project"), and (ii) financing and refinancing the acquisition, construction and equipping of an approximate 26,000 square foot expansion to the Woods Cross Campus Project, all to 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 a trust indenture (the "Indenture") 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 neither the Authority, the State of Utah nor any political subdivision thereof will be liable thereon. The issuance of the Bonds shall not directly, indirectly or contingently, obligate the Authority, the State of Utah or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Bonds shall be issued pursuant to the Resolution; 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 Monday through Friday (except on legal holidays) 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.

All members of the public are invited to attend and participate in the public hearing described above. Written comments may be submitted to the 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 September [\_\_\_], 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 thirty (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 the \_\_\_\_ day of August, 2014.

By: /s/ Bruce D. Williams, Secretary

Section 13. 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 14. After any of the Bonds are issued, this resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.

Section 15. This resolution shall take effect immediately upon its approval and adoption.

PASSED AND APPROVED BY THE UTAH CHARTER SCHOOL FINANCE  
AUTHORITY THIS 27TH DAY OF AUGUST, 2014.

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Chair

ATTEST:

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Secretary

(Here follows business not pertinent to the above.)

Pursuant to motion duly made, the Board adjourned.

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Chair

ATTEST:

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Secretary

I, Bruce D. Williams, the duly appointed and qualified Secretary of the Utah Charter School Finance Authority (the "Authority"), do hereby certify according to the records of the Board of the Authority in my official possession, that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of such Board held on August 27, 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 this \_\_\_\_ day of August, 2014.

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Secretary

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Bruce D. Williams, the undersigned 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, Utah Code Annotated, 1953, as amended, the Authority gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the August 27, 2014 public meeting held by the governing board of the Authority as follows:

(a) By causing a notice, in the form attached hereto as Attachment 1, to be posted at the principal offices of the Authority on August \_\_, 2014, 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 form attached hereto as Attachment 1, to be delivered to The Salt Lake Tribune on August \_\_, 2014, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By posting a copy of such notice on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, on August \_\_, 2014, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this August 27, 2014.

\_\_\_\_\_  
Secretary

ATTACHMENT 1

MEETING NOTICE