

AMERICAN FORK CITY COUNCIL  
NOVEMBER 19, 2019  
SPECIAL SESSION AND WORK SESSION AGENDA

Notice is hereby given that the American Fork City Council will meet in a Special Session and a Work Session on Tuesday, November 19, 2019, in the American Fork City Administration Office Conference Room, 51 East Main Street, commencing at 4:00 p.m. The agenda shall be as follows:

SPECIAL SESSION

1. Review and action on the Canvass of the 2019 Municipal City Council Election results.
2. Review and action on a resolution declaring the results of the special bond election held in the City on November 5, 2019.
3. Consideration and action on the adoption of a resolution of the City Council of American Fork City, Utah, authorizing the issuance and sale of not more than \$8,500,000 aggregate principal amount of General Obligation bonds, Series 2020; and related matters.
4. Adjourn to a work session.

WORK SESSION

*The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.*

1. Discussion with MAG on regional transportation.
2. Discussion on a Tier 1 auto dealership agreement.
3. Discussion on Municipal broadband.
4. Adjournment.

Dated this 15 day of November, 2019.



Terilyn Lurker  
City Recorder

- In accordance with the Americans with Disabilities Act, American Fork City will make reasonable accommodations to participate in the meeting. Requests for assistance can be made by contacting the City Recorder at 801-763-3000 at least 48 hours in advance of the meeting.
- The order of agenda items may change to accommodate the needs of the City Council, the staff, and the public.



**REQUEST FOR COUNCIL ACTION  
CITY OF AMERICAN FORK  
NOVEMBER 19, 2019**

**Department** Recorder      **Director Approval** Terilyn Lurker

**AGENDA ITEM**    Review and action on the Canvass of the 2019 Municipal City Council Election results.

**SUMMARY RECOMMENDATION**

Staff would recommend approval.

**BACKGROUND**

American Fork City contracted with Utah County to administer the 2019 General Election. The county administered a Vote By Mail election and ballots were sent out to all registered voters. Ballots were returned to Utah County Elections Office where they were processed and counted.

State Law requires the City Council to act as the board of canvassers to canvass the general election returns. This is done by reviewing and verifying the election report provided to us by Utah County. It is necessary to officially certify the results and declare those candidates who were elected to office. With the American Fork Fire Station Bond on the ballot this year, we will also need to accept those results; that will be done in a separate motion.

THE CANVASS REPORT WILL BE PROVIDED BY THE COUNTY ON NOVEMBER 19, 2019. That report will be available at the special session where the final numbers will be presented.

**BUDGET IMPACT**

NA

**SUGGESTED MOTION**

I move to accept and certify the 2019 Municipal General Election results and canvass and declare \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ elected to office of City Council.

**SUPPORTING DOCUMENTS**



**REQUEST FOR COUNCIL ACTION  
CITY OF AMERICAN FORK  
NOVEMBER 19, 2019**

**Department** Recorder      **Director Approval** Terilyn Lurker

**AGENDA ITEM**    Review and action on a resolution declaring the results of the special bond election held in the City on November 5, 2019.

**BACKGROUND**

The City Council needs to pass a resolution declaring the results of the special bond election that was held on November 5, 2019, for the Fire Station General Obligation Bond. This resolution has been provided by bond counsel and it is recommended that the council approve the resolution.

The final election results will be provided by the county on Tuesday, November 19th.

**SUGGESTED MOTION**

I move to adopt the resolution accepting and certifying the results of the special bond election and declare the Fire Station General Obligation Bond to be approved.

**SUPPORTING DOCUMENTS**

Canvass proceedings- American Fork Bond Election 2019 (DOCX)

American Fork, Utah

November 19, 2019

The City Council (the “City Council”) of American Fork City, Utah (the “City”), met in public session on November 19, 2019, at the American Fork City Administration Office Building, located at 51 East Main Street in American Fork, Utah, at 4:00 p.m., due, legal and timely notice of the meeting having been given to all members as required by law.

The meeting was duly called to order by the Mayor with the following members of the City Council being present, constituting a quorum of the City Council:

- |                      |                                 |
|----------------------|---------------------------------|
| Brad Frost           | Mayor                           |
| Clark Taylor         | Councilmember and Mayor Pro-Tem |
| Kevin Barnes         | Councilmember                   |
| Staci Carroll        | Councilmember                   |
| Barbara Christiansen | Councilmember                   |
| Rob Shelton          | Councilmember                   |

Absent: \_\_\_\_\_

There were also present:

- |                |                    |
|----------------|--------------------|
| David Bunker   | City Administrator |
| Terilyn Lurker | City Recorder      |

Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)

After the minutes of the preceding meeting had been read and approved, the City Recorder presented to the City Council an affidavit evidencing the giving of not less than twenty-four (24) hours' public notice of the agenda, date, time and place of the November 19, 2019 public meeting of the City Council in compliance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, by (1) posting written notice of the meeting at the principal office of the City Council, (2) providing notice to at least one newspaper of general circulation within the geographic jurisdiction of the City 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 UTAH        )

I, Terilyn Lurker, the duly qualified and acting City Recorder of American Fork City, Utah (the “City”), do hereby certify, according to the records of said 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 November 19, 2019 public meeting held by the City Council of the City (the “City Council”), by:

(a) causing a Notice of Public Meeting to be posted at the principal office of the City Council at least twenty-four (24) hours before the convening of the meeting, in the form attached hereto as *Exhibit A*; said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the City 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 twenty-four (24) hours before the convening of the meeting to *The Daily Herald*, a newspaper of general circulation within the geographic jurisdiction of American Fork City, Utah; and

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

Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this November 19, 2019.

\_\_\_\_\_  
City Recorder

Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)

**EXHIBIT 1**

[ATTACH NOTICE OF PUBLIC MEETING]

**Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)**

The Mayor announced that one purpose of the meeting was to canvass the results of the special bond election held in the City on Tuesday, November 5, 2019 (the “*Special Bond Election*”), at the same time as the general election, on the question of the issuance of \$8,500,000 general obligation bonds of the City. The City Council thereupon recessed and convened as a board of canvassers (the “*Board of Canvassers*”).

The Business Administrator presented to the Board of Canvassers the election results from each voting precinct (the “*Election Results*”) of the Special Bond Election on the proposition hereinafter set forth, such results having been provided by the County Clerk of Utah County (the “*Election Officer*”).

The Election Results included a count of the votes cast at the Special Bond Election by valid absentee ballots and provisional ballots received by the Election Officer as required by law, before the canvass of the general election by the Board of Canvassers on the date hereof. The Election Results were ordered filed with the official records of the City.

It was thereupon moved by \_\_\_\_\_, seconded by \_\_\_\_\_ and carried that the Board of Canvassers publicly proceed to canvass and declare the results of the Special Bond Election. The Election Results of the Special Bond Election were then canvassed by the Board of Canvassers.

After canvassing the results of the Special Bond Election, the Board of Canvassers thereupon adjourned and reconvened as the City Council.

The following resolution was thereupon introduced in written form for consideration by the City Council. After due consideration of the resolution by the City Council, Councilmember

\_\_\_\_\_ moved for its adoption, and Councilmember \_\_\_\_\_ seconded the motion.

On being put to a vote, the motion was carried by the following vote:

AYE:

NAY:

ABSENT:

The resolution is as follows:

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION finding and promulgating the results of a special bond election held in American Fork City, Utah, on November 5, 2019, to determine the issuance of \$8,500,000 General Obligation Bonds; ratifying and confirming acts done in connection therewith; and providing for related matters.

\*\*\*      \*\*\*      \*\*\*

WHEREAS, pursuant to a resolution duly adopted on August 20, 2019, a special bond election was called by the City Council (the “*City Council*”) of American Fork City, Utah (the “*City*”), to be held on November 5, 2019 (the “*Special Bond Election*”), at the same time as the general election, for the purpose of submitting to the qualified, registered electors of the City the bond proposition hereinafter set forth;

WHEREAS, the Special Bond Election was duly and regularly held and the election results thereof have been counted and tabulated;

WHEREAS, the election results (including any provisional ballots) have been certified by the City Council as the official election results for the Special Bond Election;

WHEREAS, a majority of the qualified, registered electors of the City who voted at the Special Bond Election voted in favor of the bonds described in the proposition hereinafter set forth, and the results of the Special Bond Election have today been officially canvassed by this City Council and declared to have resulted in favor of the approval of such proposition; and

WHEREAS, the City Council desires now to make the official findings required by Section 11-14-207 of Utah Code Annotated 1953, as amended (the “*Utah Code*”).

NOW, THEREFORE, Be It Resolved by the City Council of American Fork City, Utah, as follows:

*Section 1.* There having been furnished to the City Council the election results of the Special Bond Election held in the City on November 5, 2019, it is hereby officially found, determined and declared that, as to the proposition set forth in full in Section 2 of this Resolution, \_\_\_\_\_ votes were cast, of which \_\_\_\_\_ votes were in the affirmative and \_\_\_\_\_ votes were in the negative.

*Section 2.* At the Special Bond Election on the proposition appearing below, a majority of the qualified, registered electors of the City voting on the following proposition and a majority of the qualified, registered electors of the City receiving ballots have assented to the issuance of the bonds described in such proposition:

### CITY PROPOSITION NUMBER 1

Shall American Fork City, Utah be authorized to issue General Obligation Bonds in a principal amount not to exceed \$8,500,000 and to mature in no more than 21 years from the date or dates of issuance of such bonds for the purpose of paying all or a portion of the costs of purchasing real property, acquiring, constructing, and equipping a new fire station (“Station”) and related improvements?

Therefore, the City is authorized to proceed with the issuance of the bonds specified in the foregoing proposition.

*Section 3.* The election results (including any provisional ballots), a true and correct copy of such election results being attached hereto as *Annex 1*, are hereby certified by the City Council as the official election results for the Special Bond Election.

*Section 4.* Only qualified, registered electors of the City under the Constitution and laws of the State of Utah were permitted to vote on the proposition submitted at the Special Bond Election.

*Section 5.* A public hearing (which public hearing was held on September 10, 2019) was held in accordance with the requirements of Section 11-14-318 of the Utah Code. Notice of the public hearing was given by (i) publishing such notice two times in *The Daily Herald*, a newspaper of general circulation in the City and (ii) posting such notice on the Utah Public Notice Website, with the first publication and the posting being at least 14 days prior to the date set for the public hearing. The notice, as published and posted, and the public hearing proceedings are hereby in all respects approved, ratified and confirmed.

*Section 6.* Notice of the Special Bond Election, embracing all matters required by law to be contained therein, was provided (a) by publication three times in *The Daily Herald*, a newspaper of general circulation in the City (the date of the first of these publications was not less than twenty-one (21) days nor more than thirty-five (35) days prior to the date set for the Special Bond Election, (b) to [www.utahlegals.com](http://www.utahlegals.com), a website established and maintained by the collective efforts of Utah's newspapers, at least the 3 weeks immediately preceding the Special Bond Election, and (c) on the Utah Public Notice Website at least the 3 weeks immediately preceding the Special Bond Election. The notice of the Special Bond Election, as given, is hereby in all respects approved, ratified and confirmed.

*Section 7.* All things whatsoever required by law to be done in connection with the calling and holding of the Special Bond Election and the counting of the election results of the Special Bond Election were properly and duly performed in manner and form as required by law.

*Section 8.* The City Council hereby ratifies, confirms, approves and finds to be in all respects regular and in compliance with law all (i) proceedings taken, (ii) acts performed, (iii) notices given, (iv) ballots prepared, (v) provisional ballot envelopes printed, (vi) election officials appointed, and (vii) things done in connection with the calling, giving notice and holding of the Special Bond Election and the counting of the votes cast at the Special Bond Election in accordance with the provisions of Chapter 4, Title 20A of the Utah Code.

*Section 9.* The City Council, having adopted this Resolution pursuant to the provisions of Section 11-14-207 of the Utah Code, determining that a majority of the qualified, registered electors of the City voting on the aforesaid proposition assented to the issuance of such bonds, the City is, therefore, authorized to proceed to issue the bonds voted at the Special Bond Election as permitted in Section 11-14-301 and in Chapter 27 of Title 11 of the Utah Code.

*Section 10.* The bonds approved at the Special Bond Election shall be sold as provided by law.

*Section 11.* This Resolution shall be effective immediately upon its adoption.

ADOPTED AND APPROVED by the City Council of American Fork City, Utah, this November 19, 2019.

AMERICAN FORK CITY, UTAH

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

ATTEST AND COUNTERSIGN:

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

Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)

(Other business not pertinent to the above appears in the minutes of the meeting.)

Upon the conclusion of all business and upon motion duly made and carried, the meeting of the City Council was adjourned.

AMERICAN FORK CITY, UTAH

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)

STATE OF UTAH                    )  
  )  
COUNTY OF UTAH                )

I, Terilyn Lurker, the duly qualified and acting City Recorder of American Fork City, Utah (the “City”), do hereby certify, according to the records of said City in my official possession, that the foregoing is a full, true and correct copy of the extracts of minutes of a public meeting of the City Council of American Fork City, Utah (the “City Council”) held on November 19, 2019, including a resolution adopted at the meeting, as recorded in the regular official book of minutes of the proceedings of the City Council kept in my office, that all members were given due, legal and timely notice of said meeting, that the meeting therein shown was in all respects called, held and conducted in accordance with law and in full conformity therewith, and that the persons therein named were present at the meeting, as therein shown.

IN WITNESS WHEREOF, I have hereunto set my hand this November 19, 2019.

\_\_\_\_\_  
City Recorder

Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)

**ANNEX 1**

[ATTACH COPY OF ELECTION RESULTS]

**Attachment: Canvass proceedings- American Fork Bond Election 2019 (Fire Station General Obligation Bond Canvass)**



**REQUEST FOR COUNCIL ACTION  
CITY OF AMERICAN FORK  
NOVEMBER 19, 2019**

**Department** Recorder      **Director Approval** Terilyn Lurker

**AGENDA ITEM** Consideration and action on the adoption of a resolution of the City Council of American Fork, Utah, authorizing the issuance and sale of not more than \$8,500,000 aggregate principal amount of General Obligation bonds, Series 2020; and related matters.

**SUMMARY RECOMMENDATION**

Staff would recommend approval of the resolution.

**BACKGROUND**

On August 20, 2019, the City Council approved a resolution providing for the holding of a local special election for the purpose of submitting to the qualified electors of the city the question of the issuance and sale of up to \$8,500,000 of General Obligation Bonds for a new fire station. The election was held on Tuesday, November 5, 2019, where the citizens voted in favor of the bond.

The City Council is now voting on the resolution authorizing the issuance and sale of not more than \$8,500,000 aggregate principal amount of General Obligation bonds.

**BUDGET IMPACT**

\$8,500,000

**SUGGESTED MOTION**

I move to approve the resolution authorizing the issuance and sale of not more than \$8,500,000 aggregate principal amount of General Obligation bonds, Series 2020; and related matters.

**SUPPORTING DOCUMENTS**

Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (DOCX)

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**AMERICAN FORK CITY, UTAH**

**Resolution**

**Authorizing the Issuance and Sale of  
General Obligation Bonds, Series 2020**

**Adopted November 19, 2019**

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**Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)**

TABLE OF CONTENTS

SECTION		PAGE
ARTICLE I	DEFINITIONS .....	2
Section 101.	Definitions.....	2
Section 102.	Rules of Construction .....	4
Section 103.	Authority for Bond Resolution .....	5
ARTICLE II	AUTHORIZATION, TERMS AND ISSUANCE OF BONDS .....	5
Section 201.	Authorization of Bonds, Principal Amount, Designation and Series .....	5
Section 202.	Purpose.....	5
Section 203.	Issue Date.....	5
Section 204.	Bond Details; Delegation of Authority .....	5
Section 205.	Denominations and Numbers.....	7
Section 206.	Paying Agent and Bond Registrar.....	7
Section 207.	Redemption and Redemption Price; Notice of Redemption .....	7
Section 208.	Acceptance of Bid; Issuance, Sale and Delivery of Bonds.....	9
Section 209.	Execution of Bonds .....	9
Section 210.	Delivery of the Bonds; Application of Proceeds .....	10
Section 211.	Continuing Disclosure Undertaking .....	10
Section 212.	Further Authority .....	10
Section 213.	Establishment of Accounts .....	11
ARTICLE III	TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR .....	11
Section 301.	Transfer of Bonds. ....	11
Section 302.	Exchange of Bonds .....	12
Section 303.	Bond Registration Books .....	12
Section 304.	List of Bondowners.....	12
Section 305.	Duties of Bond Registrar .....	12
ARTICLE IV	BOOK-ENTRY SYSTEM; LIMITED OBLIGATION OF ISSUER; LETTER OF REPRESENTATIONS.....	13
Section 401.	Book-Entry System; Limited Obligation of Issuer .....	13
Section 402.	Letter of Representations .....	14
Section 403.	Transfers Outside Book-Entry System .....	14
Section 404.	Payments to Cede.....	14
ARTICLE V	COVENANTS AND UNDERTAKINGS .....	14
Section 501.	Covenants of Issuer.....	14

Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)

SECTION	PAGE
Section 502. Levy of Taxes; Bond Account .....	14
Section 503. Arbitrage Covenant; Covenant to Maintain Tax- Exemption .....	15
ARTICLE VI FORM OF BONDS .....	17
Section 601. Form of Bonds .....	17
ARTICLE VII MISCELLANEOUS .....	24
Section 701. Final Official Statement.....	24
Section 702. Preliminary Official Statement Deemed Final.....	24
Section 704. Notice of Bonds to be Issued .....	24
Section 705. Payments Due on Non-Business Days.....	25
Section 706. Ratification.....	25
Section 707. Severability .....	25
Section 708. Conflict .....	25
Section 709. Captions .....	25
Section 710. Effective Date .....	25
SIGNATURES .....	26
EXHIBIT 1 — FORM OF CONTINUING DISCLOSURE UNDERTAKING	
EXHIBIT 2 — FORM OF OFFICIAL STATEMENT	
EXHIBIT 3 — FORM OF NOTICE OF BONDS TO BE ISSUED	
EXHIBIT 4 — FORM OF CERTIFICATE OF DETERMINATION	

Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)

## RESOLUTION

**A RESOLUTION** AUTHORIZING THE SALE AND ISSUANCE OF UP TO \$8,500,000 GENERAL OBLIGATION BONDS, SERIES 2020 OF AMERICAN FORK CITY, UTAH; AND PROVIDING FOR RELATED MATTERS.

\*\*\*            \*\*\*            \*\*\*

WHEREAS, at the 2019 Bond Election, the issuance of \$8,500,000 principal amount of general obligation bonds was authorized for the purpose of paying all or a portion of the costs of purchasing real property, acquiring, constructing, and equipping a new fire station and related improvements (the “*Project*”);

WHEREAS, the Issuer has not heretofore authorized any of the bonds voted at the 2019 Bond Election and the Issuer has determined to authorize the issuance and sale at this time of \$8,500,000 principal amount of the bonds voted at the 2019 Bond Election;

WHEREAS, pursuant to the applicable provisions of the Act, and the authorization of the 2019 Bond Election, the Issuer has the authority to issue its general obligation bonds for the purpose of paying all or a part of the cost of acquiring, constructing, improving and modifying the Project;

WHEREAS, a notice inviting electronic bids for the purchase of the Bonds will be advertised by electronic dissemination through the PARITY® electronic bid submission system;

WHEREAS, in the opinion of the Issuer, it is in the best interests of the Issuer that (a) the Designated Officer be authorized to (i) accept or reject the bids received for the Bonds pursuant to the PARITY® electronic bid submission system and determine the best bid received that conforms to the parameters, deadlines and procedures set forth in the notice of sale prepared in connection with the advertisement for sale of the Bonds and (ii) approve the final principal amount, maturity amounts, interest rates, dates of maturity and other terms and provisions relating to the Bonds and to execute the Certificate of Determination containing such terms and provisions and (b) the Mayor be authorized to execute the Official Statement with respect to the Bonds;

WHEREAS, Sections 11-14-316 of the Utah Code provides for the publication of a Notice of Bonds to be Issued, and the Issuer desires to cause the publication of such a notice at this time in compliance with said Section with respect to such Bonds;

NOW, THEREFORE, Be It Resolved by the City Council of American Fork City, Utah, as follows:

## ARTICLE I

### DEFINITIONS

*Section 101. Definitions.* As used in this Bond Resolution (including the preambles hereto), unless the context shall otherwise require, the following terms shall have the following meanings:

“*2019 Bond Election*” means the special bond election duly and lawfully called and held in the Issuer on November 5, 2019, at which the issuance and sale by the Issuer of \$8,500,000 of general obligation bonds was authorized for the purpose of paying all or a portion of the costs of purchasing real property, acquiring, constructing, and equipping a new fire station and related improvements, the results of which election were declared by the City Council of the Issuer, sitting as a Board of Canvassers, on November 19, 2019.

“*Act*” means, collectively, the Local Government Bonding Act, Chapter 14 of Title 11 of the Utah Code, and the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code, the applicable provisions of Title 10 of the Utah Code.

“*Bond Account*” means the Bond Account established in Section 213 hereof.

“*Bond Counsel*” means Farnsworth Johnson PLLC or another attorney or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

“*Bond Registrar*” means each Person appointed by the Issuer as bond registrar and agent for the transfer, exchange and authentication of the Bonds. Pursuant to Section 206 hereof, the initial Bond Registrar is Zions Bancorporation, National Association, of Salt Lake City, Utah.

“*Bond Resolution*” means this Resolution of the Issuer adopted on November 19, 2019 authorizing the issuance and sale of the Bonds.

“*Bondowner*” or “*owner*” means the registered owner of any Bond as shown in the registration books of the Issuer kept by the Bond Registrar for such purpose.

“*Bonds*” means the Issuer’s General Obligation Bonds, Series 2020 authorized by the Bond Resolution.

“*Cede*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 401 hereof.

“*Certificate of Determination*” means the Certificate of Determination, a form of which is attached hereto as *Exhibit 4*, of the Designated Officer delivered pursuant to Article 2 of this Resolution, setting forth certain terms and provisions of the Bonds.

“*City Administrator*” means the duly qualified and acting City Administrator of the Issuer.

“*City Recorder*” means the duly qualified and acting City Recorder of the Issuer or in the absence or disability of such person, such other official as shall be duly authorized to act in the City Recorder’s stead.

“*Closing Date*” means the date of the initial issuance of the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Continuing Disclosure Undertaking*” means the Continuing Disclosure Undertaking of the Issuer, in substantially the form attached hereto as *Exhibit 1*, dated the Closing Date, for the purpose of providing continuing disclosure information under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

“*Depository Account*” means the Depository Account established in Section 213 hereof.

“*Designated Officer*” means the City Administrator, or, in the event of the absence or incapacity of the City Administrator, the Finance Director.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns.

“*Exchange Bond*” means any Exchange Bond as defined in Section 209 hereof.

“*Finance Director*” means the duly qualified and acting City Administrator of the Issuer.

“*Issuer*” means American Fork City, Utah.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations from the Issuer to DTC.

“*Mayor*” means the duly qualified and acting Mayor of the Issuer or in the absence or disability of such person, the duly qualified and acting Mayor Pro Tem of the Issuer.

“*Moody’s*” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer to the Paying Agent.

“*Official Statement*” means the Official Statement with respect to the Bonds, in substantially the form attached hereto as *Exhibit 2*.

“*Participants*” means those broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as securities depository.

“*Paying Agent*” means each Person appointed by the Issuer as paying agent with respect to the Bonds. Pursuant to Section 206 hereof, the initial Paying Agent is Zions Bancorporation, National Association, of Salt Lake City, Utah.

“*Person*” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies and other entities.

“*Project Account*” means the Project Account established in Section 213 hereof.

“*Purchaser*” means the initial purchaser or purchasers of the Bonds from the Issuer.

“*Rating Agencies*” means Moody’s, if the Bonds are then rated by Moody’s and S&P, if the Bonds are then rated by S&P.

“*Record Date*” means (a) in the case of each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (b) in the case of each redemption, such record date as shall be specified by the Bond Registrar in the notice of redemption required by Section 207 hereof, *provided* that such record date shall be not less than 15 calendar days before the mailing of such notice of redemption.

“*Regulations*” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“*Standard & Poor’s*” or “*S&P*” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” or “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer to the Paying Agent.

“*Tax Certificate*” means any agreement or certificate of the Issuer that the Issuer may execute in order to establish and maintain the excludability of interest on the Bonds from gross income of the owners thereof for federal income tax purposes.

“*United States*” means the government of the United States of America.

“*Utah Code*” means Utah Code Annotated 1953, as amended.

*Section 102. Rules of Construction.* Unless the context otherwise requires:

(a) references to Articles and Sections are to the Articles and Sections of this Bond Resolution;

(b) the singular form of any word, including the terms defined in Section 101, includes the plural, and vice versa, and a word of any gender includes all genders; and

(c) the terms “*hereby*,” “*hereof*,” “*hereto*,” “*herein*,” “*hereunder*” and any similar terms as used in this Bond Resolution refer to this Bond Resolution.

*Section 103. Authority for Bond Resolution.* This Bond Resolution is adopted pursuant to the provisions of the Act.

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

*Section 201. Authorization of Bonds, Principal Amount, Designation and Series.* In accordance with and subject to the terms, conditions and limitations established by the Act and in the Bond Resolution, a series of General Obligation Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000). Such series of bonds shall be designated “*General Obligation Bonds, Series 2020.*” If the Designated Officer determines pursuant to Sections 204(b)(i) and 209 hereof that the principal amount to be issued shall be less than Eight Million Five Hundred Thousand Dollars (\$8,500,000), then the principal amount of such series of bonds shall be limited to the amount so determined by the Designated Officer.

*Section 202. Purpose.* The Bonds are hereby authorized to be issued under authority of the Act for the purpose of (i) acquiring, constructing, improving and modifying the Project and (ii) paying certain costs related to the issuance and sale of the Bonds.

*Section 203. Issue Date.* The Bonds shall be dated as of the Closing Date.

*Section 204. Bond Details; Delegation of Authority.* (a) The Bonds shall mature on the dates and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the Closing Date, payable semiannually each year, at the rates per annum, all as provided in the Certificate of Determination.

(b) There is hereby delegated to the Designated Officer, subject to the limitations contained in the Bond Resolution, the power to determine and effectuate the following with respect to the Bonds and the Designated Officer is hereby authorized to make such determinations and effectuations:

(i) the principal amount of the Bonds necessary to accomplish the purpose of the Bonds set forth in Section 202 herein and the aggregate principal amount of the Bonds to be executed and delivered pursuant to Section 209 herein; *provided* that the aggregate principal amount of the Bonds shall not exceed \$8,500,000;

(ii) the maturity date or dates and principal amount of each maturity of the Bonds to be issued; *provided, however*, that the final maturity of all Bonds shall not be later than twenty-one years from their date or dates;

(iii) the interest rate or rates of the Bonds, *provided, however*, that the interest rate or rates to be borne by any Bond shall not exceed 5.00% per annum;

(iv) the sale of the Bonds to the Purchaser and the purchase price to be paid by the Purchaser for the Bonds; *provided, however*, that the discount from par of the Bonds shall not exceed 2.00% (expressed as a percentage of the principal amount);

(v) the Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts thereof;

(vi) the optional redemption date of the Bonds, if any;

(vii) the use and deposit of the proceeds of the Bonds; and

(viii) any other provisions deemed advisable by the Designated Officer not materially in conflict with the provisions of the Bond Resolution.

(c) Immediately following the date and time specified in the Official Notice of Bond Sale attached to the Official Statement for the receipt of bids for the purchase of the Bonds, the Designated Officer shall obtain such information as he or she deems necessary to make such determinations as provided above and to determine the bid of the responsible bidder that results in the lowest effective interest rate to the Issuer (the “*Best Bidder*”). Thereupon, the Designated Officer shall make such determinations as provided above, shall award the bid to the Best Bidder and shall execute the Certificate of Determination containing such terms and provisions of the Bonds, which execution shall be conclusive evidence of the awarding of such bid to the Best Bidder and the action or determination of the Designated Officer as to the matters stated therein. The provisions of the Certificate of Determination shall be deemed to be incorporated in Article II hereof. If the Designated Officer determines that it is in the best interest of the Issuer, the Designated Officer may (i) waive any irregularity or informality in any bid or in the electronic bidding process; and (ii) reject any and all bids for the Bonds.

(d) Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an interest payment date, in which event it shall bear interest from the date thereof, or (ii) it is registered and authenticated prior to the first interest payment date, in which event it shall bear interest from its date, or (iii) as shown by the records of the Bond Registrar, interest on the Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full. The Bond Registrar shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the form of Bond Registrar’s certificate of authentication on each Bond. The Bonds shall bear interest on overdue principal at the respective rates provided in the Certificate of Determination.

*Section 205. Denominations and Numbers.* The Bonds shall be issued as fully-registered bonds, without coupons, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity. The Bonds shall be numbered with the letter prefix “R-” and from one (1) consecutively upwards in order of issuance.

*Section 206. Paying Agent and Bond Registrar.* Zions Bancorporation, National Association, of Salt Lake City, Utah, is hereby appointed the initial Paying Agent and Bond Registrar for the Bonds. The Issuer may remove any Paying Agent and any Bond Registrar, and any successor thereto, and appoint a successor or successors thereto. Each Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the Issuer a written acceptance thereof. The principal of, and premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America that, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal of and premium, if any, on the Bonds shall be payable when due to the owner of each Bond upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent. Payment of interest on each Bond shall be made to the Person that, as of the Record Date, is the owner of the Bond and shall be made by check or draft mailed to the Person that, as of the Record Date, is the owner of the Bond, at the address of such owner as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date.

*Section 207. Redemption and Redemption Price; Notice of Redemption.* (a) The Bonds may be subject to redemption prior to maturity, at the election of the Issuer, on the date specified in the Certificate of Determination (the “*First Redemption Date*”), and on any date thereafter, in whole or in part, from such maturities or parts thereof as shall be selected by the Issuer, upon notice given as provided below, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

(b) The Bonds may be subject to mandatory redemption by operation of sinking fund installments as provided in the Certificate of Determination. If the Bonds are subject to mandatory sinking fund redemption and less than all of the Bonds then outstanding are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the principal amount so redeemed shall be credited at 100% of the principal amount thereof by the Bond Registrar against the obligation of the Issuer on such mandatory sinking fund redemption dates for the Bonds in such order as directed by the Issuer.

(c) If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed shall be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such Bond by \$5,000.

(d) Notice of redemption shall be given by the Bond Registrar by registered or certified mail, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, to the owner, as of the Record Date, of each Bond that is subject to redemption, at the address of such owner as it appears in the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption shall state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date. Each notice of optional redemption may further state that such redemption shall be conditional upon the receipt by the Paying Agent, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. Failure to give such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

(e) In addition to the foregoing notice under subsection (c) above, further notice of such redemption shall be given by the Bond Registrar as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date to DTC in accordance with the operating procedures then in effect for DTC, and to all other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds designated to the Bond Registrar by the Issuer, to the Rating Agencies and to any other nationally recognized information services as designated by the Issuer to the Bond Registrar.

(f) If notice of redemption shall have been given as described above and the condition described in Section 207(c) hereof, if any, shall have been met, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the

redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such bonds shall cease to accrue and become payable.

(g) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number or numbers identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(h) The Bond Registrar shall also give any notice of the “defeasance” or redemption of the Bonds that may be required by the Continuing Disclosure Undertaking provided that the Issuer shall provide to the Bond Registrar any documents or other information that the Bond Registrar requests to provide such notice.

*Section 208. Issuance, Sale and Delivery of Bonds.* Under authority of the Act, the Bonds shall be issued by the Issuer for the purpose set forth in Section 202 hereof. The Bonds shall be delivered to the Purchaser and the proceeds of sale thereof applied as provided in Section 210 hereof.

*Section 209. Execution of Bonds.* The Bonds shall be executed on behalf of the Issuer by the Mayor and attested and countersigned by the City Recorder (the signatures of the Mayor and City Recorder being either manual or by facsimile) and the official seal of the Issuer or a facsimile thereof shall be impressed or printed thereon. The use of such manual or facsimile signatures of the Mayor and the City Recorder and such facsimile or impression of the official seal of the Issuer on the Bonds are hereby authorized, approved and adopted by the Issuer as the authorized and authentic execution, attestation, countersignature and sealing of the Bonds by said officials on behalf of the Issuer. The Bonds shall then be delivered to the Bond Registrar for manual authentication by it. Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of the Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, this Bond Resolution and that the owner thereof is entitled to the benefits of this Bond Resolution. The certificate of authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (i) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be authenticated by the same Bond Registrar, and (ii) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

The Mayor and the City Recorder are authorized to execute, countersign, attest and seal from time to time, in the manner described above, Bonds (the “*Exchange Bonds*”) to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article III hereof. At the time of the execution, countersigning, attestation and sealing of the Exchange Bonds by the Issuer, the payee, principal amount, maturity and interest rate may be in blank. Upon any transfer or exchange of Bonds pursuant to Article III hereof, the Bond Registrar shall cause to be

inserted in appropriate Exchange Bonds the appropriate payee, principal amount, maturity and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds and to complete, authenticate and deliver the Exchange Bonds for the purpose of effecting transfers and exchanges of Bonds; *provided* that any Exchange Bonds authenticated and delivered by the Bond Registrar shall bear the same series, maturity and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer and shall bear the name of such payee as the Bondowner requesting an exchange or transfer shall designate; and *provided further* that upon the delivery of any Exchange Bonds by the Bond Registrar a like principal amount of Bonds submitted for transfer or exchange, and of like series and having like maturity dates and interest rates, shall be cancelled. The execution, countersignature, attestation and sealing by the Issuer and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bond containing such payee, principal amount, maturity and interest rate as the Bond Registrar shall cause to be inserted, and the Bond Registrar shall thereby be authorized to authenticate and deliver such Exchange Bond in accordance with the provisions hereof.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

*Section 210. Delivery of the Bonds; Application of Proceeds.* The City Administrator, Finance Director, Budget Officer or other officer of the Issuer is hereby authorized and instructed to make delivery of the Bonds to the Purchaser and to receive payment therefor in accordance with the terms of sale and the Certificate of Determination and to set the proceeds of sale of the Bonds aside for deposit into the Project Account to be used for the purpose for which the Bonds are herein authorized.

*Section 211. Continuing Disclosure Undertaking.* The Mayor is hereby authorized, empowered and directed to execute and deliver, and the City Recorder to seal, countersign, and attest, the Continuing Disclosure Undertaking ( the “*Continuing Disclosure Undertaking*”) in substantially the same forms as now before the City Council of the Issuer and attached hereto as *Exhibit 1*, respectively, or with such changes therein as the Mayor shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Issuer as herein provided, the Continuing Disclosure Undertaking will be binding on the Issuer and the officers, employees and agents of the Issuer, and the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Bond Resolution, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Continuing Disclosure Undertaking.

*Section 212. Further Authority.* The Mayor and the City Recorder and other officers of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute

all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale, registration and delivery of the Bonds and to fulfill the obligations of the Issuer hereunder and thereunder.

*Section 213. Establishment of Accounts.* (a) The following accounts on the accounting records of the Issuer are hereby created, which are to be held as follows:

- (i) Bond Account, to be held by the Issuer;
- (ii) Depository Account, to be held by the Paying Agent; and
- (iii) Project Account, to be held by the Issuer.

(b) Pending application for the purposes contemplated hereby, moneys on deposit in the Bond Account, Depository Account and Project Account shall be invested as permitted by law in investments approved by the City Administrator or other authorized officer of the Issuer.

### ARTICLE III

#### TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

*Section 301. Transfer of Bonds.* (a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 303 hereof, by the Person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully-registered Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondowner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond.

(c) The Bond Registrar shall not be required to register the transfer of or exchange any Bond selected for redemption, in whole or in part, except the unredeemed portion of Bonds being redeemed in part. Upon surrender of any Bond redeemed in part only, the Issuer shall execute,

and the Bond Registrar shall authenticate and deliver to the Bondowner at the expense of the Issuer, a new Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

*Section 302. Exchange of Bonds.* Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully-registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such Bond.

*Section 303. Bond Registration Books.* This Bond Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code. The Bond Registrar shall keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer, or cause Bonds to be registered or transferred on those books as herein provided.

*Section 304. List of Bondowners.* The Bond Registrar shall maintain a list of the names and addresses of the owners of all Bonds and upon any transfer shall add the name and address of the new Bondowner and eliminate the name and address of the transferor Bondowner.

*Section 305. Duties of Bond Registrar.* If requested by the Bond Registrar, the Mayor and the City Recorder are authorized to execute the Bond Registrar's standard form of agreement between the Issuer and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder, which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondowners as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds that have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed;

(f) to furnish to the Issuer, at its request, at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds; and

(g) to comply with all applicable provisions of DTC's operational arrangements, as provided in Section 402 hereof.

#### ARTICLE IV

##### **BOOK-ENTRY SYSTEM; LIMITED OBLIGATION OF ISSUER; LETTER OF REPRESENTATIONS**

*Section 401. Book-Entry System; Limited Obligation of Issuer.* (a) The Bonds shall be initially issued in the form of a separate, single, certificated, fully-registered Bond for each of the maturities set forth in Section 204 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. Except as provided in Section 403 hereof, all of the outstanding Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC.

(b) With respect to Bonds registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondowner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Bondowner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to the principal of or premium, if any, or interest on the Bonds. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, for the purpose of giving notices of redemption and for all other purposes whatsoever. The Paying Agent shall pay all principal of, and premium, if any, and interest on, the Bonds only to the respective Bondowners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided in Section 206 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, and premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No Person other than a Bondowner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Bond Resolution.

(c) Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to Record Dates, the word “Cede” in this Bond Resolution shall refer to such new nominee of DTC; and upon receipt of such a notice the Issuer shall promptly deliver a copy of the same to the Bond Registrar and the Paying Agent.

*Section 402. Letter of Representations.* The Issuer’s prior execution and delivery of the Letter of Representations shall not in any way limit the provisions of Section 401 hereof or in any other way impose upon the Issuer any obligation whatsoever with respect to Persons having interests in the Bonds other than the Bondowners, as shown on the registration books kept by the Bond Registrar. In the written acceptance of each Paying Agent and Bond Registrar referred to in Section 206 hereof, such Paying Agent and Bond Registrar, respectively, shall agree to take all action necessary for all of DTC’s operational arrangements pertaining to the Paying Agent and Bond Registrar, respectively, to at all times be complied with.

*Section 403. Transfers Outside Book-Entry System.* At the option of the Issuer or upon receipt by the Issuer of written notice from DTC that DTC is unable or unwilling to discharge its responsibilities, and no substitute depository willing to undertake the functions of DTC hereunder can be found that is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondowners transferring or exchanging Bonds shall designate, in accordance with the provisions of Article III hereof.

*Section 404. Payments to Cede.* Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

## ARTICLE V

### COVENANTS AND UNDERTAKINGS

*Section 501. Covenants of Issuer.* All covenants, statements, representations and agreements contained in the Bonds and all recitals and representations in the Bond Resolution are hereby considered and understood, and it is hereby confirmed that all such covenants, statements, representations and agreements are the covenants, statements, representations and agreements of the Issuer.

*Section 502. Levy of Taxes; Bond Account* The Issuer covenants and agrees that to pay the interest falling due on the Bonds as the same becomes due, and also to provide a sinking fund for the payment of the principal of the Bonds at maturity, there shall be levied on all taxable property in the City in addition to all other taxes, a direct annual tax sufficient to pay the interest on the Bonds and to pay and retire the same. These taxes when collected shall be applied solely for the

purpose of the payment of the interest on and principal of the Bonds, respectively, and for no other purpose whatsoever until the indebtedness so contracted under the Bond Resolution, principal and interest, shall have been fully paid, satisfied and discharged, but nothing herein contained shall be so construed as to prevent the Issuer from applying any other funds that may be in the Issuer's treasury and available for that purpose to the payment of such interest and principal as the same respectively become due and mature. The levy or levies herein provided for may thereupon be diminished to that extent. The sums herein provided for to meet the interest on the Bonds and to discharge the principal thereof when due are hereby appropriated for that purpose, and the required amount for each year shall be included by the Issuer in its annual budget and its statement and estimate as certified to the Board of County Commissioners of Utah County, Utah, in each year. Principal or interest falling due at any time when there shall not be available from the proceeds of the levies described in this Section money sufficient for the payment thereof shall, to the extent of such deficiency, be paid from other funds of the Issuer available for such purpose, and such other funds shall be reimbursed when the proceeds of such levies become available.

On or prior to the second business day next preceding each date on which payment of principal of or interest on the Bonds is to be made, the Issuer shall deposit into the Bond Account an amount sufficient to pay principal of and interest on the Bonds on such payment date. Moneys remaining on deposit immediately after each such payment date, including any investment earnings thereon earned during the period of such deposit, shall be immediately withdrawn from the Bond Account by the Issuer and commingled with the general funds of the Issuer. The Issuer has established the Bond Account primarily to achieve a proper matching of revenues and debt service on the Bonds. The Bond Account shall be depleted at least once each year by the Issuer, except for a reasonable carryover amount not to exceed the greater of one year's earnings on the Bond Account or one-twelfth of the annual debt service on the Bonds.

*Section 503. Arbitrage Covenant; Covenant to Maintain Tax-Exemption.* (a) The Mayor, the City Recorder and other appropriate officials of the Issuer are hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations, (ii) the Bonds are not and will not become "private activity bonds" within the meaning of Section 141 of the Code, (iii) all applicable requirements of Section 149 of the Code are and will be met, (iv) the covenants of the Issuer contained in this Section will be complied with and (v) interest on the Bonds is not and will not become includible in gross income of the owners thereof for federal income tax purposes under the Code and applicable Regulations.

(b) The Issuer covenants and certifies to and for the benefit of the owners from time to time of the Bonds that:

(i) it will at all times comply with the provisions of any Tax Certificates;

(ii) it will at all times comply with the rebate requirements contained in Section 148(f) of the Code and the Regulations, including, without limitation, the entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made, the creation of any rebate fund to provide for the payment of any

required rebate and the timely payment to the United States of all amounts, including any applicable penalties and interest, required to be rebated, except to the extent that the Bonds are not subject to such arbitrage rebate requirements;

(iii) no use will be made of the proceeds of the issue and sale of the Bonds, or any funds or accounts of the Issuer that may be deemed to be proceeds of the Bonds, pursuant to Section 148 of the Code and applicable Regulations, which use, if it had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) it will not use or permit the use of any of its facilities or properties in such manner that such use would cause the Bonds to be “private activity bonds” described in Section 141 of the Code;

(v) no bonds or other evidences of indebtedness of the Issuer (other than the Bonds) have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Bonds and ending 15 days following the delivery of the Bonds, other than the Bonds;

(vi) it will not take any action that would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Bonds as provided in Section 103 of the Code, nor will it omit to take or cause to be taken in timely manner any action, which omission would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Bonds as provided in Section 103 of the Code;

(vii) it recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is excludable from gross income of the owners thereof for federal income tax purposes under laws in force at the time the Bonds are initially delivered and the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form without an opinion of Bond Counsel to the effect that such action will not adversely affect the excludability of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes; and

(viii) it acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Issuer may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.

## ARTICLE VI

### FORM OF BONDS

*Section 601. Form of Bonds.* Each fully-registered Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required (including, but not limited to, such changes as may be necessary if the Bonds at any time are no longer held in book-entry form as permitted by Section 403 hereof):

[FORM OF BOND]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Registered

Registered

UNITED STATES OF AMERICA

STATE OF UTAH

AMERICAN FORK CITY

GENERAL OBLIGATION BOND, SERIES 2020

Number R- \_\_\_\_\_

\$ \_\_\_\_\_

INTEREST RATE:

MATURITY DATE:

DATED DATE:

CUSIP:

\_\_\_\_\_ %

\_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_, 2019

\_\_\_\_\_

REGISTERED OWNER:

PRINCIPAL AMOUNT: ----- DOLLARS-----

KNOW ALL MEN BY THESE PRESENTS that American Fork City, Utah (the "Issuer"), a duly organized and existing municipal corporation and a political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the "Principal Amount"), and to pay the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date identified above (the "Dated Date"), or unless, as shown by the records of the hereinafter referred to Bond Registrar, interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the interest rate per annum (calculated on the

Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)

basis of a year of 360 days consisting of twelve 30-day months) identified above (the “*Interest Rate*”), payable semiannually on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_ 1, 2020, until payment in full of the Principal Amount, except as the provisions set forth in the hereinafter defined Bond Resolution with respect to redemption prior to maturity may become applicable hereto. This Bond shall bear interest on overdue principal at the Interest Rate. Principal of and premium, if any, on this Bond shall be payable upon presentation and surrender hereof at the principal corporate trust office of Zions Bancorporation, National Association, of Salt Lake City, Utah, as Paying Agent for the Bonds, or at the principal corporate trust office of any successor who is at the time the Paying Agent of the Issuer, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts; and payment of the interest hereon shall be made to the registered owner hereof and shall be paid by check or draft mailed to the person who is the registered owner of record on the Record Date.

This Bond is one of the General Obligation Bonds, Series 2020 of the Issuer (the “*Bonds*”), limited to the aggregate principal amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), dated as of the Dated Date, issued under and by virtue of the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended (the “*Utah Code*”), the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code, and the applicable provisions of Title 10 of the Utah Code (collectively, the “*Act*”), and under and pursuant to a resolution of the Issuer adopted on November 19, 2019 (the “*Bond Resolution*”), after having been authorized at a special bond election held on November 5, 2019, in the Issuer by a vote of the qualified electors thereof, for the purpose of paying all or a portion of the costs of purchasing real property, acquiring, constructing, and equipping a new fire station and related improvements (the “*Project*”). The Project is for one or more public purposes.

Zions Bancorporation, National Association, of Salt Lake City, Utah, is the initial bond registrar and paying agent of the Issuer with respect to the Bonds. This bond registrar and paying agent, together with any successor bond registrar or paying agent, are referred to herein, respectively, as the “*Bond Registrar*” and the “*Paying Agent*.”

The Issuer covenants and is by law required to levy annually a sufficient tax to pay interest on this Bond as it falls due and also to constitute a sinking fund for the payment of the principal hereof as the same falls due.

This Bond is transferable, as provided in the Bond Resolution, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by such owner’s attorney duly authorized in writing. Such transfer shall be made upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or such duly authorized attorney and upon the payment of the charges prescribed in the Bond Resolution, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Bond Resolution. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this

Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever, and neither the Issuer, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are issuable solely in the form of registered Bonds in the denomination of \$5,000 or any whole multiple thereof.

[The Bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_\_, are subject to redemption prior to maturity, at the election of the Issuer, on \_\_\_\_\_ 1, \_\_\_\_\_ (the “*First Redemption Date*”) and on any date thereafter, in whole or in part, from such maturities or parts thereof as shall be selected by the Issuer, upon notice given as provided below, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

Notice of redemption shall be given by the Bond Registrar by registered or certified mail not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, to the registered owner of each Bond that is subject to redemption, at the address of such registered owner as it appears on the registration books kept by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar, all as provided in the Bond Resolution.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in that notice shall become due and payable at the applicable redemption price on the redemption date therein designated. If on the redemption date, moneys for the payment of the redemption price of all the Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on that date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable.

Less than all of a Bond in a denomination in excess of \$5,000 may be so redeemed. In such case, upon the surrender of such Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Bond, registered Bonds of any of the authorized denominations, at the option of such owner, all as more fully set forth in the Bond Resolution. In selecting portions of any registered Bond that is of a denomination of more than \$5,000 for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such Bond by \$5,000.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Bond Resolution.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions,

acts and things required by the Constitution or laws of the State of Utah and by the Act and the Bond Resolution to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the Constitution and laws referenced above, and that the full faith and credit of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond according to its terms.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, AMERICAN FORK CITY, UTAH, has caused this Bond to be signed in its name and on its behalf by its Mayor and countersigned and attested by the City Recorder, and has caused its official seal or a facsimile thereof to be impressed or imprinted hereon, all as of the Dated Date.

AMERICAN FORK CITY, UTAH

By \_\_\_\_\_ (manual signature)  
Mayor

[SEAL]

COUNTERSIGN AND ATTEST:

By \_\_\_\_\_ (manual signature)  
City Recorder

Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)

[FORM OF BOND REGISTRAR’S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the General Obligation Bonds, Series 2020 of American Fork City, Utah.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Bond Registrar

By  
Authorized Officer

Date of registration and authentication: \_\_\_\_\_, 2019.

Bond Registrar and Paying Agent:

Zions Bancorporation, National Association  
Corporate Trust Department  
One South Main Street, 12th Floor  
Salt Lake City, Utah 84133

Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) _____ (Minor) under Uniform Transfers to Minors Act of _____ (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

Insert Social Security or Other  
Identifying Number of Assignee

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of AMERICAN FORK CITY, UTAH, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ attorney, to register the transfer of said  
Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

SIGNATURE GUARANTEED:  
\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)

## ARTICLE VII

### MISCELLANEOUS

*Section 701. Final Official Statement.* The Official Statement of the Issuer is hereby authorized in substantially the form presented at this meeting and in the form attached hereto as *Exhibit 2*, with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, including the completion thereof with the information established at the time of the sale of the Bonds by the Designated Officer and set forth in the Certificate of Determination. The Mayor shall sign and deliver the Official Statement to the Purchaser for distribution to prospective purchasers of the Bonds and other interested persons. The approval of the Mayor of any such changes, omissions, insertions and revisions shall be conclusively established by the Mayor's execution of the Official Statement.

*Section 702. Preliminary Official Statement Deemed Final.* The use and distribution of the Official Statement in preliminary form (the "*Preliminary Official Statement*"), in substantially the form presented at this meeting and in the form attached hereto as *Exhibit 2*, is hereby authorized and approved, with such changes, omissions, insertions and revisions as the Finance Director shall deem advisable. The Mayor, the City Recorder and the Finance Director are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to deem final the Preliminary Official Statement within the meaning and for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion thereof with the information established at the time of the sale of the Bonds. The Mayor, the City Recorder and the Finance Director are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Bonds, and any actions taken thereby for purposes of deeming the Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission are hereby authorized, ratified and confirmed.

*Section 703. Notice of Bond to be Issued* In accordance with the provisions of Section 11-14-316 of the Local Government Bonding Act, the City Recorder shall cause the "Notice of Bonds to be Issued," in substantially the form attached hereto as *Exhibit 3*, to be published one time in *The Daily Herald*, a newspaper of general circulation in the City, and shall cause a copy of this Bond Resolution (together with all exhibits hereto) to be kept on file in her office for public examination during the regular business hours of the City until at least thirty (30) days from and after the date of publication thereof.

For a period of thirty (30) days from and after publication of the Notice of Bonds to be Issued, any person in interest shall have the right to contest the legality of this Bond Resolution or the Bonds hereby authorized or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Bond Resolution or the Bonds or any provisions made for the security and payment of the Bonds for any cause.

*Section 704. Payments Due on Non-Business Days.* If a payment date is not a business day, then payment may be made on the next business day, and no interest shall accrue for the intervening period.

*Section 705. Ratification.* All proceedings, resolutions and actions of the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved, including, without limitation, the publication of the notice of sale for the Bonds as set out in the preambles hereto.

*Section 706. Severability.* It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause or provision of this Bond 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 sections, paragraphs, clauses or provisions of this Bond Resolution.

*Section 707. Conflict.* All resolutions, orders and regulations or parts thereof heretofore adopted or passed that are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

*Section 708. Captions.* The table of contents and captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

*Section 709. Effective Date.* This Bond Resolution shall take effect immediately.

ADOPTED AND APPROVED on November 19, 2019.

AMERICAN FORK CITY, UTAH

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

ATTEST AND COUNTERSIGN:

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

Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)

**EXHIBIT 1**

**[CONTINUING DISCLOSURE UNDERTAKING]**

**Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)**

**EXHIBIT 2**

**[OFFICIAL STATEMENT]**

**Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)**

**EXHIBIT 3****NOTICE OF BONDS TO BE ISSUED**

NOTICE IS HEREBY GIVEN pursuant to the provisions of Sections 11-14-316 and 11-27-4, Utah Code Annotated 1953, as amended, that on November 19, 2019, the City Council (the “*Council*”) of American Fork City, Utah (the “*City*”), adopted a resolution (the “*Resolution*”) in which it authorized and approved the issuance of its general obligation bonds (the “*Bonds*”), in the aggregate principal amount of not to exceed Eight Million Five Hundred Thousand Dollars, to bear interest at a rate or rates of not to exceed five percent per annum, to mature over a period not to exceed twenty-one years from their date or dates and to be sold at a discount from par, expressed as a percentage of the principal amount, of not to exceed two percent.

Pursuant to the Resolution, the Bonds are to be issued for the purpose of paying all or a portion of the costs of purchasing real property, acquiring, constructing, and equipping a new fire station and related improvements (the “*Project*”).

The City proposes to pledge the full faith and credit of the City for the payment of its general obligation bonds and may be obligated to levy and collect ad valorem taxes without limitation as to rate or amount in order to pay the general obligation bonds, as provided by law.

The total par amount of the City’s currently outstanding general obligation bonds is \$ \_\_\_\_\_. More detailed information relating to the outstanding general obligation bonds of the City is available from the Finance Director. The estimated total cost to the City of the Bonds, if such Bonds are held until maturity and based on estimated interest rates currently in effect, is \$ \_\_\_\_\_.

The Bonds are to be issued and sold by the City pursuant to the Resolution. A copy of the Resolution is on file in the office of the City Recorder of the City, located at 51 East Main Street, American Fork City, Utah, where the Resolution may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. The Resolution shall be so available for inspection for a period of at least thirty days from and after the date of the publication of this notice.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of thirty days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the above-described Resolution (including the final bond resolution attached thereto) of the City or the Bonds authorized thereby or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of the Resolution, the Bonds or the provisions for their security or payment for any cause.

DATED November 19, 2019.

AMERICAN FORK CITY, UTAH

**EXHIBIT 4**

**[CERTIFICATE OF DETERMINATION]**

**Attachment: Bond Resolution-American Fork City 2019 GO Bonds (11-14-19) (Fire Station GO Bond parameters resolution)**

# CITY COUNCIL STUDY ITEM

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City of American Fork  
COUNCIL WORK SESSION  
NOVEMBER 19, 2019

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Department Recorder

Department *Terilya Lunken*

**STUDY ITEM** Discussion on a Tier 1 auto dealership agreement.

**BACKGROUND** Add information here

Tier 1 auto dealerships are an important part of the city's economic viability. The city has been approached to consider an incentive for Tier 1 auto dealership in American Fork. The proposed agreement for the incentive includes a minimum hurdle amount to qualify for an incentive, a tiered incentive structure, a cap on total incentive and total years of eligibility, a covenant to remain in the city following the incentive period and a provision for repayment if agreement conditions are not met. The purpose of the agreement is to encourage performance based incentives which will enhance the city's long term financial position.

**SUPPORTING DOCUMENTS**

REVISED GMC National Buick Tax Incentive Agreement 11.13.19 (1) (PDF)

## TIER 1 AUTO DEALERSHIP AGREEMENT

This Agreement (hereinafter "Agreement") is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between AMERICAN FORK, a municipal corporation of the State of Utah, whose address is 31 North Church St., American Fork, Utah 84003 (hereinafter "**City**"), and NATIONAL BUICK GMC, INC, a Utah corporation, whose address is 629 East 1000 South, American Fork, Utah 84003 (hereinafter "**Dealership**"). Collectively the parties to this Agreement may be referred to "the Parties".

### RECITALS

WHEREAS, Dealership owns approximately 4.72 acres of real property located within City; and

WHEREAS, Dealership and City desire to facilitate job creation through commercial development within American Fork City by incentivizing the improvement of certain facilities that will accelerate growth and additional tax revenues;

WHEREAS, Dealership operates a car dealership ("Business") which sells new vehicles ("Tier 1"), generating significant tax revenues for the City;

WHEREAS, Dealership is located within a primary commercial corridor of American Fork, and desires to make certain improvements to its facilities ("Improvements"), and the City is relying on Improvements to drive retail sales and generate additional tax revenues; and

WHEREAS, City desires to enhance its retail competitive advantage and ensure long-term sustainability of its commercial tax base through incentivizing development to its highest and best use;

### AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

1. Effective Date. The date on which the last of the Parties executes this Agreement shall be the deemed the effective date of this Agreement (hereinafter "Effective Date").
2. Compliance. Dealership assumes responsibility for the design, construction, and financing of all costs associated with Improvements. Dealership agrees to comply with all City ordinances relating to Improvements. Nothing in this Agreement constitutes waiver by the City of its laws, processes, procedures, or requirements for development, neither does this Agreement grant any development or land-use entitlement or vest Dealership in any way.
3. Qualification of Improvements. Dealership shall submit to City its plans for Improvements showing necessity of Improvements and how Improvements are expected to increase tax revenues for City. Only those Improvements which are prequalified by City in writing ("Qualified Improvements") shall be eligible for tax revenue increment reimbursement ("Tax Increment").

- 4. Reimbursement Cap. The maximum cumulative Tax Increment reimbursement Dealership is entitled to under this Agreement is one million dollars (\$1,000,000.00), or the total cost of Qualified Improvements, whichever is less ("Reimbursement Cap").
- 5. Eligibility Period. Dealership shall begin to be eligible for Tax Increment reimbursement in Fiscal Year 2020 (beginning July 1, 2019). The Eligibility Period shall be for ten (10) years, or until Dealership has reached the Reimbursement Cap, whichever occurs first ("Eligibility Period").
- 6. Covenant to Remain in City. Dealership agrees it will remain within the geographical taxing boundaries of City for a period of five (5) years after the conclusion of Eligibility Period.
- 7. Conditions for Repayment. Dealership shall repay all Tax Increment it has received under this Agreement to the City within ninety (90) days of any of the following conditions occurring:
  - a. Dealership relocates Business outside of City's geographical taxing boundaries during Eligibility Period or during the five years following the Eligibility Period as described in Paragraph 6; or
  - b. Dealership ceases conducting Business or closes Business or declares bankruptcy; or
  - c. Dealership fails to complete construction of Qualified Improvements within three year of obtaining City approval of its plans.
- 8. Tax Increment Calculation. The City's obligation to reimburse Dealership from Tax Increment revenues is subject to the following terms and conditions:
  - a. Actual Tax Revenue. The City shares point-of-sales tax revenue with the State of Utah as governed by State law. The Tax Increment shall be calculated using the sales tax revenue actually received by City (currently, approximately 76% of point-of-sale sales tax revenue collected by businesses) ("Actual Tax Revenue").
  - b. Baseline Amount. The first \$100,000.00 in Actual Tax Revenue generated during each year of the Eligibility Period shall be retained by City and is not subject to reimbursement ("Baseline Amount").
  - c. Tax Increment Reimbursement. Dealership shall be entitled to Tax Increment reimbursement based on the amount of Actual Tax Revenue generated above the Baseline Amount ("Hurdle Amounts"):

	<i>Actual Tax Revenue</i>	<i>% Tax Increment Reimbursed</i>
(1)	\$100,001 - \$150,000	50%
(2)	\$150,001 - \$200,000	70%

Attachment: REVISED GMC National Buick Tax Incentive Agreement 11.13.19 (1) (Tier 1 Auto Dealership Discussion)

(3) Above \$200,001 90%

[By way of illustration, if City's Actual Tax Revenue generated by Dealership was \$221,000 during year, then Dealership would receive, after subtracting the baseline amount, 50% of the first \$50,000 (\$25,000), 70% of the next \$50,000 (35,000), and 90% of the remaining \$21,000 (\$18,900) for a one year total of \$78,900.]

- 9. Payment of Tax Increment. City shall remit the Tax Increment reimbursement to Dealership by May 31st of each year for the preceding calendar year.
- 10. Indemnification. Dealership and the City shall indemnify, defend and hold each other's officers, agents, representatives and employees harmless from any and all claims, demands, liabilities, damages, injuries, causes of action, costs and expenses, including attorney's fees, arising out of or in any way related to the performance of each party's duties under this Agreement caused in whole or in part by any negligent act or omission of the other party or anyone directly or indirectly employed by the other party.
- 11. Assignment. This Agreement shall be binding upon the Dealership and their respective heirs, executors, administrators, successors, and assigns but shall not be assigned without the express written consent of City.

IN WITNESS WHEREOF, this Agreement has been executed on the day and year first above written.

**NATIONAL BUICK GMC**

\_\_\_\_\_  
KOLBY HANSEN  
Its:

\_\_\_\_\_  
Date

**AMERICAN FORK CITY**

\_\_\_\_\_  
BRADLEY J. FROST  
Mayor

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Terilyn Lurker  
City Recorder

Attachment: REVISED GMC National Buick Tax Incentive Agreement 11.13.19 (1) (Tier 1 Auto Dealership Discussion)

# CITY COUNCIL STUDY ITEM

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City of American Fork  
COUNCIL WORK SESSION  
NOVEMBER 19, 2019

---

Department Recorder

Department *Terilya Lunken*

**STUDY ITEM** Discussion on Municipal Broadband.

## **BACKGROUND**

The city has been discussing municipal broadband for several months. The city has held several works sessions, public meetings, public hearings and public open houses.

An additional discussion on municipal broadband services to discuss various options the city has previously considered and is currently considering may reinforce the position the city has regarding municipal broadband as a needed city utility.

Options the city has explored include do nothing status quo, a public-private partnership, an interlocal cooperative agreement with UIA, a city system with the city acting as the retail ISP provider, an open access city system as a utility. Additional discussion regarding each of the options will be held.

## **SUPPORTING DOCUMENTS**