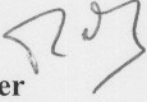



DANIEL A. MULE'
CITY TREASURER

SALT LAKE CITY CORPORATION
DEPARTMENT OF MANAGEMENT SERVICES
TREASURER

ROSS C. "ROCKY" ANDERSON
MAYOR

TO: Rocky J. Fluhart, Chief Administrative Officer 

DATE: June 1, 2005

FROM: Daniel A. Mulé, City Treasurer 

SUBJECT: Tax and Revenue Anticipation Notes, Series 2005 (the Tax Notes)

STAFF CONTACT: Daniel A. Mulé, City Treasurer

TELEPHONE NUMBER: 535-6411

RECOMMENDATION: That the City Council hold a discussion on June 9, 2005 and schedule the adoption of a resolution on June 14, 2005 authorizing the issuance and confirming the sale of \$21 million in Tax and Revenue Anticipation Notes for fiscal year 2006.

DOCUMENT TYPE: Briefing/Discussion

BUDGET IMPACT: Current estimates provided by the City's financial advisor indicate that the City should expect a coupon of about 3.0%. Issuing \$21 million in Tax Notes would translate into interest expense for the General Fund of \$630,000. The Mayor's Recommended Budget includes a \$750,000 budget for interest expense. Once the actual coupon is known, the budgets for interest expense and interest income will be adjusted accordingly. With the expectation of rising interest rates, locking in the yield on the Tax Notes now will likely result in an even greater spread between interest earnings and interest expense throughout the new fiscal year.

DISCUSSION: Tax Notes are short-term borrowing instruments (debt) issued for one year or less in anticipation of future tax collections. The purpose of the borrowing is to provide financial assistance to the City's General Fund during its "cash-poor" period until the major portion of property taxes are received, usually in December. The exact amount to be budgeted for interest expense will not be known until the Notes are sold on June 14, 2005 at which time the actual coupon will be determined. To assure compliance with applicable federal and state regulations, sizing restrictions are adhered to when determining an allowable principal amount, and actual cash flows relative to spend down requirements are regularly monitored to avoid rebate. Sizing restrictions allow for a maximum amount of \$23.9 million of Tax Notes to be issued. However, after a prudent analysis of the timing of expected receipts and disbursements included in the Mayor's Recommended Budget, I am recommending that only \$21 million of Tax Notes be issued.

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RESOLUTION NO. ___ OF 2005

A RESOLUTION of the City Council of Salt Lake City, Salt Lake County, Utah, authorizing the issuance and confirming the sale of the \$21,000,000 Tax and Revenue Anticipation Notes, Series 2005, of Salt Lake City, Utah; providing for covenants to establish and maintain the excludability of interest on the Notes from gross income of the owners thereof for federal income tax purposes; and providing for related matters.

WHEREAS, a report has been made by the City Treasurer of Salt Lake City, Salt Lake County, Utah (the "*City*"), that it is necessary to raise the sum of Twenty-One Million Dollars (\$21,000,000) for the purpose of meeting the current and necessary expenses of the City and for any other purpose for which funds of the City may be legally expended during the fiscal year beginning July 1, 2005 (the "*Fiscal Year*") until the taxes and other revenues for the Fiscal Year are collected, and that the sum can be raised without incurring any indebtedness or liability in excess of ninety percent (90%) of the taxes and other revenues of the City estimated to be received in the Fiscal Year, or exceeding any limit of debt imposed by the Constitution or statutes of the State of Utah; and

WHEREAS, a notice inviting bids via the PARITY bidding system ("*Parity*") or facsimile transmission for the purchase of the City's \$21,000,000 Tax and Revenue Anticipation Notes, Series 2005 (the "*Notes*") has been advertised by publication of a Notice of Sale electronically on Parity as well as in *The Bond Buyer*, a newspaper published in New York, New York, on June 7, 2005, and brought to the attention of potential purchasers, and the bids received pursuant to such notice have been tabulated, and it has been found that the bid of _____ (the "*Purchaser*"), is the best bid received for the purchase of the Notes, resulting in the sale of the

Notes at the lowest net effective interest cost, said bid being attached in full as *Exhibit A* hereto;
and

WHEREAS, in the opinion of the City, it is in the best interests of the City that (a) the bid of the Purchaser be accepted, (b) the sale of the Notes to the Purchaser be ratified and confirmed, and (c) that the execution and delivery of the Final Official Statement in the form attached hereto as *Exhibit B* (the "*Final Official Statement*") be authorized;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SALT LAKE CITY, SALT LAKE COUNTY, UTAH, as follows:

Section 1. Unless the context clearly requires otherwise, the terms defined in the preamble and in this Section shall have the meanings assigned to such terms in the preamble and this Section as follows:

"*Cede*" means Cede & Co., as nominee of DTC.

"*City Recorder*" means the City Recorder or any Deputy City Recorder of the City.

"*City Treasurer*" means the City Treasurer of the City or, in his absence or disability, such other official as shall be duly authorized to act in his stead.

"*Continuing Disclosure Undertaking*" has the meaning assigned in Section 2(f) hereof.

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

"*Exchange Notes*" has the meaning assigned in Section 2(d) hereof.

"*Mayor*" means the Mayor of the City, or in his absence or disability, such other official as shall be duly authorized to act in his stead.

“*Owner*” means any registered owner of the Notes as shown in the registration books of the City kept by the Note Registrar.

“*Note Registrar*” and “*Paying Agent*” have the meanings assigned in Section 3(a) hereof.

“*Participants*” has the meaning assigned in Section 3 hereof.

“*Representation Letter*” means the City’s Blanket Issuer Letter of Representations, dated May 30, 1995.

Section 2. (a) The City shall issue the Notes in the aggregate principal amount of \$21,000,000 for the purpose of meeting the current and necessary expenses of the City, including the costs of issuing the Notes, and for any other purpose for which funds of the City may be legally expended during the Fiscal Year. The Notes shall be known as “Salt Lake City, Utah Tax and Revenue Anticipation Notes, Series 2005”, shall be dated the date of delivery thereof, shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) at the rate of ___% per annum from their date until paid, payable at maturity, and shall fall due on June 30, 2006. The Notes shall be issued in fully-registered form only, without coupons, in the denomination of \$100,000 or any whole multiple thereof. The Notes shall be numbered with the letter prefix “R-” and shall be numbered from one (1) consecutively upwards in order of issuance. The Notes shall not be subject to call and redemption prior to maturity. Principal of and interest on the Notes shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the office of the Paying Agent in Salt Lake City, Utah.

(b) The Notes shall be signed by the Mayor, countersigned by the City Treasurer and attested and countersigned by the City Recorder and shall have the official seal of the City impressed thereon. The Mayor is hereby empowered and directed to sign, the City Treasurer to countersign and the City Recorder to attest and countersign each of the Notes and to cause the official seal of the City to be impressed on each of the Notes. The acts of the Mayor, City Treasurer and City Recorder in so doing are and shall be the acts and deeds of the City.

(c) The Notes shall then be delivered to the Note Registrar (as defined hereinafter) for manual authentication. Only such of the Notes as shall bear thereon a certificate of authentication, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Note Resolution, and such certificate of the Note Registrar shall be conclusive evidence that the Notes so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, this Note Resolution and that the Owners of the Notes are entitled to the benefits of this Note Resolution. The certificate of authentication of the Note Registrar on any Note shall be deemed to have been executed by it if (a) such Note is signed by an authorized officer of the Note Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Notes issued hereunder or that all of the Notes hereunder be authenticated by the same Note Registrar, and (b) the date of registration and authentication of the Note is inserted in the place provided therefor on the certificate of authentication.

(d) The Mayor, the City Treasurer and the City Recorder are authorized to sign, countersign, attest and seal from time to time, in the manner described above, Notes (the

"Exchange Notes") to be issued and delivered for the purpose of effecting transfers and exchanges of Notes pursuant to Sections 3(b) and (c) hereof. At the time of the signing, countersigning, attestation and sealing of the Exchange Notes by the City, the payee and the principal amount shall be in blank. Upon any transfer or exchange of Notes pursuant to Sections 3(b) and (c) hereof, the Note Registrar shall cause to be inserted in appropriate Exchange Notes the appropriate payee and principal amount. The Note Registrar is hereby authorized and directed to hold the Exchange Notes, and to complete, authenticate and deliver the Exchange Notes, for the purpose of effecting transfers and exchanges of Notes; *provided* that any Exchange Notes authenticated and delivered by the Note Registrar shall bear the name of such payee as the Owner requesting an exchange or transfer shall designate; and *provided further* that upon the delivery of any Exchange Notes by the Note Registrar a like principal amount of Notes submitted for transfer or exchange shall be canceled. The signing, countersigning, attestation and sealing by the City and delivery to the Note Registrar of any Exchange Note shall constitute full and due authorization of such Note containing such payee and principal amount as the Note Registrar shall cause to be inserted, and the Note Registrar shall thereby be authorized to authenticate and deliver such Exchange Note in accordance with the provisions hereof.

(e) In case any officer whose signature shall appear on any Note (including any Exchange Notes) shall cease to be such officer before the issuance or delivery of such Note, such signature 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.

(f) *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 form as now before the City Council and attached hereto as *Exhibit C*, or with such changes therein as the Mayor on behalf of the City 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 City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City 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 Note Resolution, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Note to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

(g) The City agrees to furnish all necessary documents and information required by note counsel with respect to the issuance, sale and delivery of the Notes.

Section 3. (a) The City Treasurer is hereby appointed the paying agent and note registrar for the Notes (respectively, the "*Paying Agent*" and "*Note Registrar*").

(b) (i) Any Note may, in accordance with its terms, be transferred, upon the registration books kept by the Note Registrar pursuant to Section 3(d) hereof, by the Owner

thereof, in person or by such Owner's duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Note Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Note Registrar. The City, the Note Registrar and the Paying Agent may treat and consider the person in whose name each Note is registered in the registration books kept by the Note Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon and for all other purposes whatsoever.

(ii) Whenever any Note or Notes shall be surrendered for transfer, the Note Registrar shall authenticate and deliver a new fully-registered Note or Notes (which may be an Exchange Note or Notes pursuant to Section 2 hereof) of authorized denominations duly executed by the City, for a like aggregate principal amount. The Note Registrar shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

(c) Notes may be exchanged at the office of the Note Registrar in Salt Lake City, Utah, for a like aggregate principal amount of fully-registered Notes (which may be an Exchange Note or Notes pursuant to Section 2 hereof). The Note Registrar shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(d) This Note 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 Note Registrar shall keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the City; and, upon presentation for such purpose, the Note Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Notes as herein provided.

(e) The Note Registrar shall maintain a list of the names and addresses of the Owners of all Notes and upon any transfer shall add the name and address of the new Owner and eliminate the name and address of the transferor Owner.

(f) The Notes shall be initially issued in the form of a separate single certificated fully-registered note. Upon initial issuance, the ownership of such Note shall be registered in the registration books kept by the Note Registrar in the name of Cede. Except as provided in Section 3(h) hereof, all of the outstanding Notes shall be registered in the registration books kept by the Note Registrar in the name of Cede.

With respect to Notes registered in the registration books kept by the Note Registrar in the name of Cede, the City, the Note Registrar and the Paying Agent shall have no responsibility or obligation to any broker dealer, bank or other financial institution from time to time for which DTC holds Notes as securities depository (such broker dealers, banks or other financial institutions are hereinafter referred to collectively as "*Participants*") or to any person on behalf of which a Participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the City, the Note 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 Notes, (ii) the delivery to any Participant or any other person, other than an Owner, as shown in the registration books kept by the Note Registrar, of any notice with respect to the Notes, or (iii) the payment to any Participant or any other person, other than an Owner, as shown in the registration books kept by the Note Registrar, of any amount with respect to principal of or interest on the Notes. The City, the Note Registrar and the Paying Agent may treat and consider the person in whose name each Note is registered in the registration books kept by the Note Registrar as the holder and absolute owner of such Note for the purpose of payment of principal and interest with respect to such Note, for the purpose of registering transfers with respect to such Note and for all other purposes whatsoever.

The Paying Agent shall pay all principal of and interest on the Notes only to or upon the order of the respective Owners, as shown in the registration books kept by the Note Registrar, or their respective attorneys duly authorized in writing, as provided in Section 3(b) hereof, and all such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to payment of principal of and interest on the Notes to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Note Registrar, shall receive a certificated Note evidencing the obligation of the City to make payments of principal and interest pursuant to this Note Resolution. Upon delivery by DTC to the City of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the word "Cede" in this Note Resolution shall refer to such new nominee of DTC. Upon receipt of such a notice, the City shall promptly deliver a copy of the same to the Note Registrar and the Paying Agent.

(g) The City Treasurer, acting in his capacity as Paying Agent and Note Registrar hereunder is hereby authorized and directed to take all action necessary for all of DTC's operational arrangements pertaining to the Paying Agent and Note Registrar, respectively, in the Representation Letter to at all times be complied with.

(h) In the event that (i) the City determines that DTC is unable or unwilling to discharge its responsibilities described herein and in the Representation Letter, (ii) DTC determines to discontinue providing its service as securities depository with respect to the Notes at any time as provided in the Representation Letter or (iii) the City determines that it is in the best interests of the beneficial owners of the Notes that they be able to obtain certificated Notes, the City shall notify DTC and direct DTC to notify the Participants of the availability through DTC of note certificates, and the Notes shall no longer be restricted to being registered in the registration books kept by the Note Registrar in the name of Cede. At that time, the City may determine that the Notes shall be registered in the name of and deposited with such other depository operating a universal book-entry system as may be acceptable to the City, or such depository's agent or designee, and if the City does not select such alternate universal book-entry system, then the Notes shall no longer be restricted to being registered in the registration books kept by the Note Registrar in the name of Cede, but may be registered in whatever name or names Owners transferring or exchanging Notes shall designate, in accordance with the provisions of Sections 3(b) and (c) hereof.

(i) Notwithstanding any other provision of this Note Resolution to the contrary, so long as any Note is registered in the name of Cede, all payments with respect to principal of and interest on such Note and all notices with respect to such Note shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 4. The Notes shall be in substantially the following form:

[FORM OF NOTE]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the City 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.

UNITED STATES OF AMERICA
STATE OF UTAH
SALT LAKE COUNTY

SALT LAKE CITY

TAX AND REVENUE ANTICIPATION NOTE
SERIES 2005

No. R- _____ \$ _____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	June 30, 2006	_____, 2005	_____

REGISTERED OWNER:

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

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Salt Lake County, State of Utah (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay to the registered owner identified above, or registered assigns, the principal amount identified above, upon presentation and surrender hereof, on the maturity date specified above, without option of redemption prior to maturity, and to pay to the registered owner identified above, or registered assigns, interest on such principal amount from the date of this Note (calculated on the basis of a 360-day year consisting of twelve 30-day months) at the rate per annum specified above from the dated date specified above until paid, payable at maturity. Principal of and interest on this Note shall be payable upon presentation and surrender hereof at the City Treasurer's office located in Salt Lake City, Utah, as paying agent of the City, in any coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time of payment.

This Note is one of an issue of Twenty-One Million Dollars (\$21,000,000) of notes of like tenor and date, known as "SALT LAKE CITY, UTAH TAX AND REVENUE ANTICIPATION NOTES, SERIES 2005" (the "Notes"), issued under and pursuant to the Constitution and laws of the State of Utah, including particularly the applicable provisions of the Local Government Bonding Act, Chapter 14, Title 11, Utah Code Annotated 1953, as amended, the Utah Registered Public Obligations Act, Chapter 7, Title 15, Utah Code Annotated 1953, as amended, and a resolution of the City adopted on June 14, 2005 (the "Note Resolution").

The City Treasurer is the note registrar and paying agent of the City with respect to the Notes. Said note registrar and paying agent, respectively, is referred to herein as the "Note Registrar" and the "Paying Agent."

It is hereby covenanted, certified, recited and declared that this Note is issued in anticipation of the collection of taxes levied and other revenues for the current fiscal year of the City ending June 30, 2006 (the "Current Fiscal Year"), in evidence of money borrowed to meet the current and necessary expenses of the City, and for any other purpose for which funds of the City may be legally expended during the Current Fiscal Year, until payment of the taxes and other revenues for the Current Fiscal Year; that taxes have been levied and imposed and will be collected in the Current Fiscal Year on all taxable property within the City within the limit provided by law and sufficient to pay principal of and interest on this Note as the same falls due and, together with other budgeted revenues to be received during the Current Fiscal Year, sufficient to pay all budgeted expenses of the City for the Current Fiscal Year; and that a sufficient fund has been appropriated for the payment of the principal of and interest on this Note as the same shall fall due.

It is hereby further certified, recited and declared that the aggregate indebtedness incurred by the City for the Current Fiscal Year, including the Notes, is not in excess of ninety percent (90%) of the total of the taxes and other revenues levied and to be collected by or on behalf of the City in the Current Fiscal Year.

This note is transferable, as provided in the Note Resolution, only upon the books of the City kept for that purpose at the office of the Note Registrar in Salt Lake City, Utah, by the registered owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the registered owner or such duly authorized attorney, and thereupon the City shall issue in the name of the transferee a new registered Note or Notes of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Note, all as provided in the Note Resolution and upon the payment of the charges therein prescribed. No transfer of this Note shall be effective until entered on the registration books kept by the Note Registrar. The City, the Note Registrar and the Paying Agent may treat and consider the person in whose name this Note is registered on the registration books kept by the Note Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal of and interest due hereon and for all other purposes whatsoever, and neither the City, nor the Note Registrar nor the Paying Agent shall be affected by any notice to the contrary.

The Notes are issuable solely in the form of fully-registered Notes without coupons in the denomination of \$100,000 or any whole multiple of \$100,000.

It is hereby further certified, recited and declared that all acts, conditions and things essential to the validity of this Note exist, have happened and have been done, and that every requirement of law affecting the issue thereof has been duly complied with, and that this Note is within every debt and other limit prescribed by the Constitution and laws of the State of Utah. The full faith, credit, resources and all taxable property within the limits of the City are hereby irrevocably pledged to the levy of taxes for the Current Fiscal Year in which this Note is issued and for the collection of and proper allocation of such taxes and other revenues provided for the Current Fiscal Year to the prompt payment of principal of and interest on this Note and the issue of which it is one, according to its terms.

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

IN WITNESS WHEREOF, the City has executed this Note by causing it to be signed by its Mayor, countersigned by its City Treasurer and attested and countersigned by its City Recorder, and has caused the official seal of the City to be impressed hereon, all as of the Dated Date set forth above.

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

By _____ (manual signature)
Mayor

COUNTERSIGN:

By _____ (manual signature)
City Treasurer

ATTEST AND COUNTERSIGN:

By _____ (manual signature)
City Recorder

[SEAL]

APPROVED AS TO FORM:

(manual signature)
Senior City Attorney,
Salt Lake City, Salt Lake County, Utah

[FORM OF NOTE REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

This Note is one of the Notes described in the within-mentioned Note Resolution and is one of the Tax and Revenue Anticipation Notes, Series 2005, of Salt Lake City, Utah.

Salt Lake City Treasurer, as
Note Registrar and Paying Agent

Date of registration and authentication: _____, 2005.

[FORM OF ASSIGNMENT]

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

TEN COM	—	as tenants in common	UNIF TRANS MIN ACT —
TEN ENT	—	as tenants by the entireties	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Transfer 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

[Empty box for Social Security or Other Identifying Number of Assignee]

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Note of SALT LAKE CITY, SALT LAKE COUNTY, UTAH, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of said Note 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 Note Registrar, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Note 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 Note in every particular, without alteration or enlargement or any change whatever.

Section 5. All of the covenants, statements, representations, agreements and promises contained in the Notes and all recitals and representations in this Note Resolution be, and the same are hereby, adopted as the covenants, statements, agreements and promises of the City.

Section 6. The proceeds derived from the sale of the Notes shall be deemed allocated to the general fund of the City as needed to alleviate anticipated deficits in that fund arising from the timing of collection of taxes and other revenues of the Fiscal Year for that fund and shall be used solely for the purpose of meeting the current and necessary expenses of the City, including the costs of issuing the Notes, and for any other purpose for which funds of the City may be legally expended during the Fiscal Year. The Owners of the Notes shall not be responsible for the application of the proceeds thereof by the City or any of its officers.

Section 7. The full faith and credit of the City are pledged to the payment of the Notes. The City shall levy or cause to be levied for the Fiscal Year a sufficient tax, and there shall be levied and collected sufficient revenues other than taxes, to pay the principal of and interest on the Notes as the same fall due, and the Notes are issued in anticipation of the payment of such taxes and the collection of such revenues for the Fiscal Year.

Section 8. There is hereby irrevocably appropriated from the first collection of taxes and other revenues for the Fiscal Year a sufficient fund to pay the principal of and interest on the Notes as the same shall fall due, and all expenses in connection therewith and all collection and other charges incident thereto or connected therewith shall be paid by the City.

Section 9. The bid of the Purchaser for the purchase of the Notes, which is set out in full in *Exhibit A* hereto, shall be and the same is hereby accepted, it being hereby found, determined and declared after public advertisement for bids for the purchase of the Notes, that the Notes bear interest at the lowest net effective interest cost. To evidence the acceptance of the Purchaser's bid, the City Treasurer is hereby authorized and directed to execute and deliver the Purchaser's bid form.

(b) Under authority of the Local Government Bonding Act, Title 11, Chapter 14 of the Utah Code, the Notes shall be issued by the City for the purpose set forth in Section 2 hereof. The sale of the Notes to the Purchaser at the price of \$_____ (being the par amount of the Notes, plus \$_____ original issue premium, less \$_____ underwriter's discount) is hereby confirmed.

(c) The Final Official Statement of the City, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, is hereby authorized, and the Mayor shall sign and deliver such Final Official Statement to the Purchaser for distribution to prospective purchasers of the Notes and other interested persons.

(d) The Mayor, the Chief Administrative Officer, the City Treasurer and the City Recorder 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 carry out the transactions contemplated hereby.

Section 10. (a) The Mayor, the City Recorder, the Chief Administrative Officer, the City Treasurer and other appropriate officials of the City are each hereby authorized and directed to execute such certificates and agreements as shall be necessary to establish that the Notes are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised, and to establish that interest on the Notes is not and will not be includible in gross income of the Owners thereof for federal income tax purposes. The City covenants and certifies to and for the benefit of the Owners from time to time of the Notes that (i) it will at all times comply with the provisions of any certificates or agreements made or entered into hereunder and (ii) no use will be made of the proceeds of the issue and sale of the Notes, or any funds or accounts of the City that may be deemed to be available proceeds of the Notes, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated), which use, if it had been reasonably expected on the date of issuance of the Notes, would have caused the Notes to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the City obligates itself to comply throughout the term of the Notes with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

(b) The City further covenants and agrees to and for the benefit of the Owners from time to time of the Notes that the City (i) will not take any action that would cause interest on the Notes to be or to become ineligible for the exclusion from gross income of the Owners of the Notes as provided in Section 103 of the Code, (ii) will not omit to take or cause to be taken, in

timely manner, any action, which omission would cause interest on the Notes to be or to become ineligible for the exclusion from gross income of the Owners of the Notes as provided in Section 103 of the Code, (iii) without limiting the generality of the foregoing, (A) will not take any action that would cause the Notes, or any Note, to be a "private activity bond" within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (B) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the Notes, or any Note, to be a "private activity bond" or to fail to meet any applicable requirement of Section 149 of the Code and (iv) 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 Notes, under present rules, the City is treated as the "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. The Mayor, the City Recorder, the Chief Administrative Officer, the City Treasurer and other appropriate officials of the City are each hereby authorized and directed to execute such certificates, representations and agreements as shall be necessary to establish that the Notes are not and will not become "private activity bonds," that all applicable requirements of Section 149 of the Code are and will be met and that the covenants of the City contained in this Section 10 will be complied with.

(c) The City hereby covenants to take or cause to be taken such actions as shall be necessary to comply with the arbitrage rebate requirement imposed by Section 148(f) of the Code to preserve and maintain the excludability of interest on the Notes from gross income of

the Owners thereof for federal income tax purposes and shall take such actions as are appropriate under the tax certificate relating to the Notes delivered on the date of original issuance thereof.

Section 11. All proceedings, resolutions and actions of the City and its officers, agents and representatives taken in connection with the sale and issuance of the Notes, including but not limited to the publication of the Notice of Sale in *The Bond Buyer* and the preparation and distribution of a Preliminary Official Statement and an Official Notice of Sale, are hereby ratified, confirmed and approved.

Section 12. All resolutions and orders or parts thereof in conflict with the provisions hereof are to the extent of such conflict hereby repealed.

Section 13. All capitalized terms defined in the preambles to this Note Resolution shall have the same meaning when used in this Resolution.

Section 14. This Note Resolution shall become effective immediately upon its adoption.

(Signature page follows.)

ADOPTED AND APPROVED this 14th day of June, 2005.

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

By _____
Chair,
City Council of Salt Lake City,
Salt Lake County, Utah

[SEAL]

ATTEST:

By _____
Chief Deputy City Recorder,
Salt Lake City, Salt Lake County, Utah

The foregoing ordinance was presented to the
Mayor for his approval or disapproval on the
__ day of June, 2005.

Mayor,
Salt Lake City, Salt Lake County, Utah

APPROVED AS TO FORM:

Senior City Attorney,
Salt Lake City, Salt Lake County, Utah

EXHIBIT A

[ATTACH WINNING BID]

EXHIBIT B

[ATTACH PRELIMINARY OFFICIAL STATEMENT]

EXHIBIT C

[ATTACH FORM OF CONTINUING DISCLOSURE UNDERTAKING]