
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: February 3, 2006

SUBJECT: Sale of \$472,000 Special Assessment Bonds, for
Rose Park Special Improvement Lighting District,
LC-106024

AFFECTED COUNCIL DISTRICTS: Council District One

STAFF REPORT BY: Jan Aramaki

**ADMINISTRATIVE DEPT.
AND CONTACT PERSON:** Dan Mulé

POTENTIAL MOTION:

If the Council desires to adopt the resolution for the sale of bonds, the following motion shall be appropriate:

["I move that the Council"] Adopt a resolution authorizing the issuance and providing for the sale of Salt Lake City, Utah Special Assessment Bonds, Series 2006 (Rose Park Special Improvement District) providing for pricing and terms of the Series 2006 Bonds, prescribing the form of bonds, the maturity and denomination of said bonds; providing for the continuance of a guaranty fund; authorizing and approving a bond purchase agreement; and related matters.

NEW INFORMATION:

The Administration requests that the City Council take the final step of action to adopt a resolution authorizing the issuance and providing for the sale of \$472,000 special assessment bonds, Series 2006, for the Rose Park Special Improvement Lighting District. The District falls within the boundaries of 600 North on the south, Rose Park Golf Course on the north, Jordan River on the west, and 900 West on the east.

According to the Administration's paperwork, "The Bonds are authorized to be issued for the purpose of:

- a) paying the costs of installing decorative street lighting poles and removing existing wooden street lighting poles and all other miscellaneous work necessary to complete the improvements;

- b) retiring any outstanding interim warrants; and
- c) paying issuance expenses incurred in connection with the issuance of the Bonds.”

The total cost for the Rose Park SID improvements amounted to \$2,786,368, of which the City will pay \$2,021,007. In November 2005, the City Council adopted an ordinance to assess property owners in the amount of \$765,064 for the first initial assessment for improvement costs; however, property owners were given the option to pay in whole or in part their portion of the lighting improvement costs for a total cost of \$297.38 without interest within a pre-payment period from the date the ordinance went into effect. Any part of the assessment not paid within the pre-payment shall be payable over a period of ten years in substantially equal annual principal and interest installments of \$29.74 plus bond interest to pay off bond debt. During the pre-payment period, \$292,424 was remitted by property owners which results in a balance of \$472,640 to be assessed over a ten year period. However, because bonds are issued in even \$1,000 increments and bond amount cannot exceed the balance due, a bond amount will be secured to \$472,000 (rounded down to the nearest \$1,000).

The City will be required to maintain a guaranty fund at 10 percent of the outstanding balance for the purpose of guaranteeing the payment of debt service on these bonds. The City’s guaranty account has a sufficient balance to provide this guaranty.

Since 2002, the City has a five-year contract with an investment banking firm in place to act as the underwriter for all SID bonds. Because the dollar amount to be bonded is minimal, the Administration decided to issue these bonds as a “private placement” bond meaning that a bond issued by a state or local government are sold directly to a bank and not re-offered to the public. As such, the financial institution, serving as the bond holders, will purchase these bonds and place them in their own portfolio. Zions First National Bank, as underwriter, has been awarded the purchase of the bonds at a net cost to the City of 4.54 percent. A copy of the debt service schedule is attached to the Administration’s cover transmittal.

CHRONOLOGY:

- In June 2003 as part of the fiscal year 2003-04 budget, the City Council approved funding for the proposed Rose Park Lighting project to remove all existing overhead street lighting and install new decorative poles with underground wiring throughout the Rose Park Community Council district. Funding allocation includes: \$975,000 from FY 2003-04 Capital Improvement Program (CIP) appropriation and \$675,000 in accumulated lighting replacement funds currently available in the existing SID. An additional \$561,000 was also approved by the City Council to be assessed to property owners. However, as a result of updated cost estimates, interest, and additional fees having been added to the cost, the Administration states that the estimated bond amount has increased from \$561,000 to \$800,000. The property owners’ share is \$800,000 which will be financed by annual assessments to property owners over a ten-year period. The City currently contributes 25 percent of the cost of the Rose Park lighting power and maintenance, which the Administration expects to continue at a slightly lower rate once the new system is installed. Total estimated cost of the proposed project is \$2,450,000.

- February 3, 2004, the City Council adopted a resolution declaring the intention of the City to construct improvements within the City consisting of the installation of decorative street lighting poles, the removal of existing wooden street lighting poles, and all other miscellaneous work necessary to complete the improvements; to levy an assessment to operate and maintain said street lighting facilities; to create a special improvement district to defray the cost and expenses of the improvement district by special assessments to be levied against the property benefited by such improvements; to declare its official intent to reimburse itself for expenditures paid by it prior to the sale of bonds; and set the deadline for filing written protest and set the date for a public hearing protest.
- February 24 and March 4, 2004 – the Administration held two informational meetings prior to the protest hearing to provide answers to any questions residents may have about the project and to provide residents the opportunity to express comments. In addition, the Administration states that numerous meetings were held with the Rose Park Community Council and residents to identify the poles and lights within the proposed street lighting district.
- March 9, 2004 Protest hearing was held. In order for the District to be created, the protest rate must be less than 50 percent of the property owners who submitted written protests to the City Recorder by the March 8th deadline. The Administration reports there were no protests made at the hearing; however, the City Recorder's Office reported having received eleven written comments protesting the district, representing 0.5% protest rate.
- On June 1, 2004 as a result of the City Council's briefing received on the annual assessment for street lighting Special Improvement District No. 1, the Council requested that the Administration provide bullet points outlining how 15% administrative overhead costs impact the Rose Park Lighting Special Improvement District and SIDs L01, L02, and L03. The Transportation and Treasurer's Divisions provided the requested information, including maps for Special Improvement District L01, L02, and L03 which show the locations of the lighting extensions within each SID.
- On August 10, 2004, the City Council adopted a resolution creating the Rose Park Lighting Special Improvement District No. 106024.
- On August 18, 2004 bids were opened and the best bidder was identified.
- On August 24, 2004, the City Council adopted a resolution accepting bids and authorizing execution of a contract to the best bidder for construction work and materials to complete the improvements for the Rose Park Special Improvement District No. 106024.
- On July 12, 2005, the City Council adopted a resolution to appoint a Board of Equalization and Review and to set dates whereby the Board of Equalization heard and considered any objections to make corrections of any proposed assessment which the Board deemed unequal or unjust.

- On November 15, 2005, the City Council adopted an ordinance confirming the modified and equalized assessment rolls and levying an assessment against certain properties within the Rose Park Special Improvement District for the purpose of paying the costs of installing decorative street lighting poles and removing existing wooden street lighting poles.

**The following information was provided previously.
It is provided again for the City Council's reference.**

On July 12, 2005, the City Council adopted a resolution to appoint a Board of Equalization and Review and set the dates for the Board of Equalization. The Board heard and considered objections to and made corrections of any proposed assessments which the Board deemed unequal or unjust. This was an opportunity for property owners to discuss with the Board any actual costs that are being proposed.

The Board of Equalization and Review consisted of the following City officials: Michael Barry, Transportation Engineer; Chris Meeker, City Deputy Recorder; Ed Rutan, City Attorney; and Melanie Reif, Assistant City Attorney. The Board received assistance from Karen Carruthers, City Engineering; Susan Finlayson, City Engineering; Pat Peterson, Construction Coordinator; and Garth Limburg, Special Assessment Coordinator. The Board of Equalization met for three days on August 23, 24, and 25, 2005. The following is a summary of the concerns expressed by property owners regarding the proposed SID assessments along with responses and recommendations from the Board of Equalization.

August 23, 2005		
Property Owner	Concerns	Board's Response/Recommendation
Larry and Seria Barker 1060 W. Rambler Drive 08-26-379-021-0000 <u>Proposed Assessment:</u> Lighting Improvement: 1 unit @ \$29.13 = \$29.13 Operation & Maintenance 1 unit @ \$6.05 = \$ 6.05 Total Assessment: <u>\$35.18</u>	Submitted letter to protest proposed assessment. Light posts are too far apart at 1060 W. Rambler Drive with a large gap in the lighting on their side of the street. Request for additional lights to fill in the large gaps between poles.	Michael Barry reviewed placement of lights on Rambler Drive and determined the design for Rambler Drive conforms to the scope and criteria of the project (see Administration's transmittal for more details). Recommendation: Assessment will remain at \$35.18.
August 24, 2005 - no protestors attended		
August 25, 2005		
Ellen Butler 1149 W. Talisman Dr. 08-26-376-004-0000 <u>Proposed Assessment:</u> Lighting Improvement: 1 unit @ \$29.13 = \$29.13 Operation & Maintenance: 1 unit @ \$ 6.05 = \$ 6.05 Total Assessment: <u>\$35.18</u>	Inquired about purpose and time length of the assessment. Concern that new lights were not illuminating as well as the former lights possibly on account of tree interference.	Michael Barry explained property owners would be assessed annually for new light fixtures for 10 years and the operation and maintenance assessment would be an ongoing separate annual assessment. Urban Forester will be contacted to trim any tree interference from the lights. Recommendation: Assessment will remain at \$35.18.

Michele Hoskins 1055 W. Prosperity Ave. 08-26-379-004-0000 <u>Proposed Assessment:</u> Lighting Improvement: 1 unit @ \$29.13 = \$29.13 Operation & Maintenance: 1 unit @ \$ 6. 05 = \$ 6.05 Total Assessment: <u>\$35.18</u>	Similar concerns as Ellen Butler. She also mentioned roots from a tree in her park strip were causing damage to the sidewalk and her sewer.	Again, Michael Barry explained purpose of assessment and Urban Forester will be contacted to trim any trees interfering with the lights. Property owner was provided a phone number for Tim Rodriguez, Risk Management Specialist, to help address the tree in park strip; and problem of raised sidewalk was referred to Sam McAllister of Engineering for review. Recommendation: Assessment will remain at \$35.18.
Property Owner	Concerns	Board's Response/Recommendation
Jose & Maria Lopez 1071 N. Valentine Street 08-26-157-005-0000 <u>Proposed Assessment:</u> Lighting Improvement: 1 unit @ \$29.13 = \$29.13 Operation & Maintenance: 1 unit @ \$ 6. 05 = \$ 6.05 Total Assessment: <u>\$35.18</u>	Asked if assessment is monthly or annually.	Board explained annually. Recommendation: Assessment will remain at \$35.18.
Courtney Reeser 825 North 900 West 08-26-408-024-0000 <u>Proposed Assessment:</u> Lighting Improvement: 1 unit @ \$29.13 = \$29.13 Operation & Maintenance: 1 unit @ \$ 6. 05 = \$ 6.05 Total Assessment: <u>\$35.18</u>	Asked for explanation of the proposed assessment.	Board reviewed property owner's assessment and findings reveal no new lights were installed on 900 West. Recommendation: Assessment modified -- Property owner exempt from assessment.
LeGrande & Cindy Steenblik 1442 W. Leadville Avenue 08-27-480-013-0000 1444 W. Leadville Avenue 08-27-480-019-0000 1444 W. Leadville Avenue 08-27-480-021-0000 <u>Proposed Assessment for Each Parcel:</u> Lighting Improvement: 1 unit @ \$29.13 = \$29.13 Operation & Maintenance: 1 unit @ \$ 6. 05 = \$ 6.05 Total Assessment: <u>\$35.18</u>	Expressed concern through email that they own three adjoining parcels, and only one parcel has public street frontage. Request to be exempt of two of the assessments.	Michael Barry investigated the two parcels in question and determined the two parcels lacked street frontage where the lights were installed. Recommendation: Assessment for parcel Sidwell No. 08-27-480-021-0000 will remain at \$35.18; however assessments were modified for parcels 08-27-480- 019-0000 and 08-27-480-021-000 therefore property owner exempt from assessments.

Operating and Maintenance Assessment:

There are 50 existing street lighting special improvement districts (extensions). The City has combined the individual districts into three super districts to simplify the annual assessment process. These extensions were combined based on assessment due dates, not on geographical location. On an annual basis, each district is renewed by assessment ordinance. According to the Administration, nine total extensions received new lights as part of the Rose Park SID that were previously dispersed amongst Lighting SIDs L01, L02 and L03. These nine extensions have been separated from Lighting Districts L01, L02, and L03 and are being assessed this **one-time only** for operating and maintenance costs as the Rose Park SID with the first installment payment being due on or about July 1, 2006. However, for subsequent years, to stay in keeping with the purpose of simplifying the annual assessment process with the three super districts, all nine extensions that are included in the Rose Park SID will be rolled back into Lighting District L02 in 2006 and will be assessed annually as part of L02 for **operating and maintenance** costs.

According to the Administration, the operating, maintenance, and electrical energy costs for this first annual assessment is approximately \$21,344. Property owners will be assessed 75% of the annual operating and maintenance costs of \$16,008, and the City will pay 25% of \$5,336 which is included in the City's non-departmental annual operating budget. Property owners' portion of the annual operation and maintenance costs is **\$6.05** per lot for this first year's assessment (certain properties representing more than one lot may be assessed a larger amount).

Improvement Capital Assessment:

Total cost for improvements equals \$2,786,368, of which the City will pay \$2,021,007 from two Capital Improvement Program (CIP) Grants and funds previously collected for capital replacement from abutting property owners through the nine total extensions that received new lights as part of the Rose Park SID, leaving a remainder of \$765,361. Property owners have the option to pay in whole or in part their portion of the lighting improvement costs for a total cost of \$291.33 within fifteen days from the date the ordinance goes into effect without interest. Any part of the assessment not paid within the fifteen days shall be payable over a period of ten years in substantially equal annual principal and interest installments of \$29.13. Estimated interest rate on the unpaid balance of the assessment will be 4.6 percent until the actual rate is determined when the bonds are sold. The first initial assessment for improvement costs requires action by the City Council to adopt an ordinance, but subsequent assessments will not require further action by the City Council.

Additional Information from the Administration re: 600 North and 900 West

The Administration wishes to clarify that street lights were not installed on 600 North or 900 West therefore properties along these two streets are not included as part of the proposed SID, except for those properties that abut streets with lighting improvements. More specifically, a property located at an intersection having one side of the property that abuts a street with new lights will be assessed. For example, in looking at two properties located along 600 North: 1) property at the corner of 600 North and Oakley Street (1258 W. 600 N.) is assessed because it abuts Oakley Street that has new lights installed; whereas, 2) the property at 1320 West 600

North would not be assessed because it is located outside an intersection and does not about the improvements.

BACKGROUND INFORMATION:

In February 2004, the City Council adopted a resolution declaring the intention of the City to create an improvement district to construct lighting improvements in Rose Park. A protest hearing was held in March 2004. The Council created the Rose Park Lighting Special Improvement District No. 106024 on August 10, 2004. On August 24, 2004, the City Council adopted a resolution accepting bids and authorizing execution of a contract to the best bidder for construction work and materials to complete the improvements for the Rose Park Special Improvement District No. 106024.

Assessment Analysis Provided Earlier by the Administration is as follows:

- FY 2005 – The cost of all services and improvements for the nine Rose Park extensions is \$77,765.74. The property owners in Rose Park will be assessed 75% of that amount, or \$58,324.31. The remaining 25% is paid by the City. The proposed overhead fee is \$4,652.10 which is 15% of the contract price of \$31,014. These overhead charges can be absorbed in the existing assessment collection without raising assessments. During this fiscal year, no Rose Park resident will experience a change in the amount or the manner in which they are currently assessed.
- FY 2006 – The Rose Park residents will receive a combined assessment similar in look to curb and gutter-type assessments, that will be payable over a 10-year period. The first installment is estimated to be \$35.00, of which \$29.00 is for capital improvements and \$6.00 is for lighting costs. The actual costs will be dependent on the final construction costs. There are no overhead charges associated with this first installment.
- FY 2007 to FY 2015 – Each resident will receive two assessment invoices: one for street lighting power and maintenance for approximately \$7.00 (\$6.00 + \$1.00 overhead), and one for capital improvements for approximately [\\$29.00](#) plus bond interest.
- FY 2016 and beyond – The \$29.00 assessment plus bond interest for the capital improvements would end and the \$7.00 power and maintenance assessment would be increased to approximately \$15.00. The \$8.00 increase would be collected to begin building a capital replacement fund reserve.

The above costs are in today's dollars and will increase as power and maintenance costs increase. The assessment will continue for as long as the system is being powered and maintained since there is not a "sunset" or termination clause.

Boundary Description:

The boundaries that define the proposed SID include: 600 North on the south, Rose Park Golf Course on the north, Jordan River on the west, and 900 West on the east. The SID proposal combines nine existing SIDs into one. Residents who are currently participating in the nine separate SIDs are paying yearly assessments based upon linear feet of street

frontage. By combining the nine existing SIDs into one, the new assessment will be based on a per lot basis which means that all the Rose Park residents will be assessed the same dollar amount, with the exception of the following property owners: Board of Education, Elementary School; Board of Education, Jr. High School; LDS Church; Salt Lake City Parks; Jordan River Park Authority; Utah Power; Y-Z Investments; Terraces of Rose Park Condos; Utah Division of Wild Life; and Smith Food King. Private property owners in the Rose Park area can participate in the proposed SID, however, school, state, federal and county agencies are not obligated to participate in a City SID. In addition, the Salt Lake City Parks Division manages 25 acres. The Administration is recommending that Salt Lake City Parks Division participate in the proposed SID for a cost of \$3,500 per year.

Project Description: According to the Administration's paperwork, the proposed project includes: "removing the existing street lights and overhead wiring and installing 12 foot cast aluminum decorative poles with an acorn lens on top. Lower poles will minimize the impact of the tree canopy and will provide better lighting to the sidewalks for pedestrians. Removal of the overhead wiring will help improve the visual appearance of the area and eliminate the pruning of trees. The underground electrical wiring will be installed primarily by boring to minimize construction impacts to the neighborhoods and to reduce the risk of cutting tree roots. The lens will include dark sky "cutoff" shielding with optional resident side shielding. This results in the greatest percentage of light generated being shone on the street and sidewalk and not in the sky or windows."

cc: Rocky Fluhart, Rick Graham, Louis Zunguze, Sam Guevara, Cindy Gust-Jenson, Dan Mulé, Tim Harpst, Michael Barry, Kurt Larson, Chris Bramhall, Karen Carruthers, Garth Limburg, Gary Mumford, Susan Finlayson, Marge Harvey, and Barry Esham

File location: Special Improvement District

\$472,000

SALT LAKE CITY, SALT LAKE COUNTY, UTAH
SPECIAL ASSESSMENT BONDS
SERIES 2006
SALT LAKE CITY, UTAH, ROSE PARK
SPECIAL IMPROVEMENT DISTRICT

Bond Purchase Agreement

February 7, 2006

Salt Lake City Corporation
City & County Building
451 South State Street
Salt Lake City, UT 84111

The undersigned, Zions First National Bank (the “Purchaser”), offers to purchase from Salt Lake City, Utah (the “Issuer”), all (but not less than all) of the \$472,000 Special Assessment Bonds, Series 2006, Salt Lake City, Utah, Rose Park Special Improvement District of the Issuer (the “Bonds”), with delivery and payment at the offices of Ballard Spahr Andrews & Ingersoll, LLP in Salt Lake City, Utah, based upon the covenants, representations, and warranties set forth below. This offer is made subject to your acceptance of this Bond Purchase Agreement (the “Purchase Agreement”) on or before 11:59 p.m., Utah time, on the date hereof.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. Exhibit A, which is hereby incorporated by reference into this Bond Purchase Agreement (the “Purchase Agreement”), contains a brief description of the Bonds, the manner of its issuance, the purchase price to be paid, and the expected date of delivery and payment (the “Closing”).

2. You represent and covenant to the Purchaser that (a) you have and will have at the Closing the power and authority to enter into and perform this Purchase Agreement, to adopt the Resolution dated February 7, 2006 (the “Resolution”) and to deliver and sell the Bonds to the Purchaser, (b) this Purchase Agreement and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order, or agreement to which the Issuer is subject, (c) no governmental approval or authorization other than the Resolution is required in connection with the sale of the Bonds to the Purchaser, (d) this Purchase Agreement and the Bonds are and shall be at the time of the Closing legal, valid, and binding obligations of the Issuer enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, or other similar laws generally affecting creditors’ rights, (e) no litigation in the State of Utah or federal courts has been served on the Issuer or, to the knowledge of the Issuer, is threatened against or affecting the Issuer or affecting the corporate existence of the Issuer or the titles of its officers to their respective offices or

seeking to prohibit, restrain, or enjoin the sale, issuance, or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Resolution, or this Purchase Agreement, or contesting the powers of the Issuer or any authority for the issuance, sale and delivery of the Bonds, the adoption of the Resolution, or the execution and delivery of this Purchase Agreement.

3. As conditions to the Purchaser's obligations hereunder:

(a) From the time of the execution and delivery of this Purchase Agreement to the date of Closing, there shall not have been any (i) material adverse change in the financial condition or general affairs of the Issuer; (ii) event, court decision, proposed law, or rule which may have the effect of changing the federal income tax incidents of the Bonds or the interest thereon or the contemplated transaction; or (iii) international or national crisis, suspension of stock exchange trading, or banking moratorium materially affecting, in the Purchaser's opinion, the market price of the Bonds.

(b) At the Closing, the Issuer will deliver or make available to the Purchaser:

(i) The Bonds, in definitive form, duly executed;

(ii) A certificate from authorized officers of the Issuer, in form and substance acceptable to the Purchaser, to the effect that the representations and information of the Issuer contained in this Purchase Agreement delivered to us with respect to the Issuer are true and correct when made and as of the Closing;

(iii) Acknowledgment of the costs of issuance budget with respect to the issuance of the Bonds;

(iv) The approving opinion of Ballard Spahr Andrews & Ingersoll, Bond Counsel, satisfactory to the Purchaser dated the date of Closing, relating to the legality and validity of the Bonds and the excludability of interest on the Bonds from gross income of the holders thereof for federal income tax purposes;

(v) Such additional certificates, instruments, and other documents (including, without limitation, those set forth on Exhibit A, if any) as the Purchaser may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Purchaser.

4. The Issuer will pay the cost of the fees and disbursements of counsel to the Issuer and of Bond Counsel and the cost of preparing and printing the Bonds.

5. This Purchase Agreement is intended to benefit only the parties hereto, and the Issuer's representations and warranties shall survive any investigation made by or

for the Purchaser, delivery, and payment for the Bonds, and the termination of this Purchase Agreement.

6. REPRESENTATION REGARDING ETHICAL STANDARDS FOR OFFICERS AND EMPLOYEES OF THE ISSUER AND FORMER OFFICERS AND EMPLOYEES OF THE ISSUER: The Purchaser represents that it has not: (1) provided an illegal gift or payoff to an officer or employee of the Issuer or former officer or employee of the Issuer, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the Issuer's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, an officer or employee of the Issuer or former officer or employee of the Issuer to breach any of the ethical standards set forth in the Issuer's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

Sincerely,

ZIONS FIRST NATIONAL BANK

By:_____

(SEAL)

Its:_____

ACCEPTED ON BEHALF OF:

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

By:_____
Mayor

ATTEST AND COUNTERSIGN:

By:_____
Deputy City Recorder

EXHIBIT A

DESCRIPTION OF BONDS

1. Issue Size: \$472,000
2. Purchase Price: \$472,000
3. Purchaser's Fee: \$0
4. Accrued Interest: \$0
5. Principal Payment Date: February 1
6. Interest Payment Date: See below
7. Interest Rates: See below
8. Maturity Dates: February 1, 2016
9. Dated Date: February ___, 2006
10. Form: Registered Bonds
11. Closing Date: February ___, 2006
12. Redemption: The Bonds are subject to optional redemption as described in Section 2.6 of the Bond Resolution

<u>Maturity Date</u> <u>(February 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2007	\$39,000	4.45%
2008	40,000	4.45
2009	42,000	4.44
2010	44,000	4.47
2011	46,000	4.49
2012	48,000	4.51
2013	50,000	4.54
2014	52,000	4.56
2015	54,000	4.58
2016	57,000	4.60

Salt Lake City, Utah

February 7, 2006

A regular meeting of the City Council of Salt Lake City, Salt Lake County, Utah, was held on Tuesday, the 7th day of February, 2006, at the hour of 7:00 p.m. at the offices of the City Council at 451 South State Street, Salt Lake City, Utah, at which meeting there were present and answering to roll call the following members who constituted a quorum:

David L. Buhler	Chair
Van Blair Turner	Vice Chair
Søren Dahl Simonsen	Councilmember
Nancy Saxton	Councilmember
K. Eric Jergensen	Councilmember
Carlton Christensen	Councilmember
Jill Remington-Love	Councilmember

Also present:

Ross C. Anderson	Mayor
Edwin P. Rutan, II	City Attorney
	Deputy City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the Deputy City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this 7th day of February, 2006, meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following resolution was introduced in written form, discussed in full, and pursuant to motion made by Councilmember _____ and seconded by Councilmember _____, adopted by the following vote:

AYE:

NAY:

The resolution was then signed by the Chair, presented to and approved by the Mayor, and recorded by the Deputy City Recorder in the official records of Salt Lake City, Utah. The resolution is as follows:

RESOLUTION NO. ____ OF 2006

A RESOLUTION AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE SALE OF SALT LAKE CITY, UTAH SPECIAL ASSESSMENT BONDS, SERIES 2006 (ROSE PARK SPECIAL IMPROVEMENT DISTRICT) (THE "SERIES 2006 BONDS") PROVIDING FOR PRICING AND TERMS OF THE SERIES 2006 BONDS, PRESCRIBING THE FORM OF BONDS, THE MATURITY AND DENOMINATION OF SAID BONDS; PROVIDING FOR THE CONTINUANCE OF A GUARANTY FUND; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of Salt Lake City, Utah (the "Issuer"), has heretofore adopted proceedings for the construction of improvements in Salt Lake City, Utah Rose Park Special Improvement District (the "District"), and has adopted and approved an assessment ordinance of the Issuer (the "Assessment Ordinance") confirming the assessment list for the District on the 15th day of November, 2005; and

WHEREAS, notice of assessments to property owners in the District has been published in accordance with the requirements of the laws of the State of Utah and the ordinances of the Issuer, and notice of assessment has been mailed by the City Treasurer and to all the owners of property assessed in the District; and

WHEREAS, the total cost of the improvements was approximately \$2,786,368.13 of which the Issuer's portion was \$2,021,007.17, that during the cash payment period following the effective date of the Assessment Ordinance, property owners in the District have paid \$292,423.58 on the principal of their assessments, leaving an amount to be paid through the issuance of bonds or from funds provided by the Issuer of \$472,000 (rounded down to the nearest \$1,000);

WHEREAS, the Council now desires to authorize the issuance and sale of the Series 2006 Bonds in the total principal amount of \$472,000 to finance the costs of the improvements within the District including overhead costs of the Issuer; and

WHEREAS, Zions First National Bank (the "Purchaser") has indicated its interest in purchasing the Series 2006 Bonds in the total principal amount of \$472,000, plus accrued interest, if any, to the date of delivery, upon the terms and conditions as herein set forth and in accordance with a Bond Purchase Agreement, the form of which is set forth as Exhibit B hereto; and

WHEREAS, the Council has determined that it is in the best interest of the Issuer to accept the offer of the Purchaser for the purchase of the Series 2006 Bonds and to award the sale of the Series 2006 Bonds to the Purchaser:

NOW, THEREFORE, Be It Resolved by the City Council of Salt Lake City,
Utah:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.1 Definitions. As used in this Bond Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

“Act” means the Utah Municipal Improvement District Act, Title 17A, Chapter 3, Part 3, Utah Code Annotated 1953, as amended.

“Allocable Portion” means the amount of the Guaranty Fund that is allocable to the Series 2006 Bonds according to (i) the proportion that the original face amount of the Series 2006 Bonds bears to the aggregate of the original face amounts of the Series 2006 Bonds and all other outstanding Special Improvement Bonds issued by the Issuer and secured by the Guaranty Fund, or (ii) any other method of allocation specifically approved in writing by nationally recognized bond counsel to the effect that the use of such method will not adversely affect the excludability of interest on the Series 2006 Bonds from gross income for federal income tax purposes.

“Assessment Ordinance” means the assessment ordinance adopted by the Issuer on November 15, 2005, which assessed the properties benefited by the Improvements within the District.

“Bondholder” or “Holder” means the registered owner of any Series 2006 Bond as shown in the registration books of the Issuer kept by the Bond Registrar for such purpose.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated the 7th day of February, 2006, by and between the Issuer and the Purchaser in the form attached hereto as Exhibit B, pursuant to which the Series 2006 Bonds are to be sold by the Issuer to the Purchaser.

“Bond Registrar” means each Person appointed by the Issuer as bond registrar and agent for the transfer, exchange, and authentication of the Series 2006 Bonds. Pursuant to Sections 2.5 and 3.5 hereof, the initial Bond Registrar for the Bonds is the Bank of New York Trust Company, N.A., 700 South Flower Street, Suite 500, Los Angeles, California, 90017-4104, or its successors.

“Bond Resolution” means this Resolution of the Issuer authorizing the issuance and sale of the Series 2006 Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including the treasury regulations promulgated or proposed thereunder.

“District” means the Salt Lake City, Utah Rose Park Special Improvement District.

“Government Obligations” means direct obligations of the United States of America, or other securities, the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Gross Proceeds” means the gross proceeds of the Series 2006 Bonds as described in Section 148(f)(6)(B) of the Code.

“Guaranty Fund” means the Special Improvement Guaranty Fund established by the Issuer to secure timely payment of all Special Improvement Bonds issued by the Issuer pursuant to the Act, except those Special Improvement Bonds that are secured by a separate reserve fund and not by the Guaranty Fund.

“Improvements” means the installation of decorative street lighting poles, and removal of existing wooden street lighting poles, and related improvements.

“Issuer” means Salt Lake City, Utah.

“Paying Agent” means each Person appointed by the Issuer as paying agent with respect to the Series 2006 Bonds. Pursuant to Sections 2.5 and 3.5 hereof the initial Paying Agent for the Series 2006 Bonds is the Bank of New York Trust Company, N.A., 700 South Flower Street, Suite 500, Los Angeles, California, 90017-4104, or its successors or assigns.

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

“Purchaser” means Zions First National Bank.

“Qualified Investments” means any investments authorized for the investing of public moneys under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated, 1953, as amended.

(i) demand deposits and time certificates of deposit of federally insured depositories of the State of Utah,

(ii) Government Obligations, or

(iii) repurchase agreements with any federally insured bank or savings and loan association in the State of Utah, acting as principal or agent, for securities of the United States of America or other evidences of indebtedness of like quality.

“Record Date” means (a) in the case of each interest payment date, the Bond Registrar’s close of business on the fifteenth day immediately preceding such interest payment date 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 2.6 hereof, provided that such record date shall be not less than 15 calendar days before the mailing of such notice of redemption.

“Recorder” means the City Recorder or any Deputy City Recorder of the Issuer.

“Series 2006 Bonds” means the Salt Lake City, Utah Special Assessment Bonds, Series 2006 (Rose Park Special Improvement District) authorized by this Bond Resolution.

“Special Assessment Fund” means the Special Assessment Fund defined in Section 4.3 hereof.

“Special Assessment Fund Matching Amount” means the amount on deposit in the Special Assessment Fund which will be depleted at least once each year to pay debt service on the Series 2006 Bonds plus a reasonable carryover amount not to exceed the greater of (i) one year’s earnings on such amount of the Special Assessment Fund, or (ii) one-twelfth of the annual debt service on the Series 2006 Bonds.

“Special Improvement Bonds” means all assessment bonds issued by the Issuer pursuant to the Act which are secured by the Guaranty Fund.

“Special Improvement Districts” means assessment districts created by the Issuer pursuant to the Act.

“Tax-Exempt Obligations” means obligations of any state, territory or possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia, which are described in, and the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code, and stock of any qualified regulated investment company investing in tax-exempt bonds, which stock is not treated as investment property according to the terms of Internal Revenue Service Notice 87-22 or any successor thereto; provided, however, that such obligations and such tax—exempt bonds in which such investment company invests are not specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

“Treasurer” means the City Treasurer of the Issuer.

“Unrestricted Portion of Bond Proceeds” means an amount of Gross Proceeds of the Series 2006 Bonds equal to the sum of (i) 10% of the proceeds of the Series 2006 Bonds, plus (ii) the lesser of (A) 5% of the proceeds of the Series 2006 Bonds, or (B) \$100,000.

The terms “hereby,” “hereof,” “hereto,” “hereunder,” and any similar terms as used in this Bond Resolution, refer to this Bond Resolution.

Section 1.2 Authority for Bond Resolution. This Bond Resolution is adopted pursuant to the provisions of the Act.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2006 BONDS

Section 2.1 Authorization of Series 2006 Bonds, Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions and limitations established in this Bond Resolution, a series of Special Improvement Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of \$472,000 (the "Series 2006 Bonds"). The Series 2006 Bonds shall be designated "Salt Lake City, Utah Special Assessment Bonds, Series 2006 (Rose Park Special Improvement District)." The Series 2006 Bonds shall be issued in fully registered form only, without coupons.

Section 2.2 Purpose. The Series 2006 Bonds are hereby authorized to be issued for the purpose of (a) financing the construction and installation of the Improvements, and (b) paying issuance expenses incurred in connection with the issuance of the Series 2006 Bonds.

Section 2.3 Bond Details. The Series 2006 Bonds will be dated as of their date of delivery, and will mature on February 1 in the following years and amounts and will bear interest at the following rate or rates:

<u>Maturity Date</u> <u>(February 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2007	\$39,000	4.45%
2008	40,000	4.45
2009	42,000	4.44
2010	44,000	4.47
2011	46,000	4.49
2012	48,000	4.51
2013	50,000	4.54
2014	52,000	4.56
2015	54,000	4.58
2016	57,000	4.60

The Series 2006 Bonds shall bear interest payable annually beginning on August 1, 2006, and continuing thereafter on August 1 of each year by wire transfer of funds, or by check or draft mailed to the registered owners of record of the Series 2006 Bonds. Since the Purchaser intends to hold the Series 2006 Bonds for investment purposes, it is anticipated the Purchaser will be the only Bondholder as long as any of the Series 2006 Bonds are outstanding. If the Issuer has monies on deposit with the Purchaser, it may request the Paying Agent to instruct the Purchaser to transfer funds from specified accounts for the timely payment of principal or interest on the Series 2006 Bonds.

Each Series 2006 Bond shall accrue interest from the interest payment date next preceding the date on which it is authenticated, unless (a) it is authenticated before the first interest payment date following the initial delivery of the Series 2006 Bonds, in which case interest shall accrue from their initial delivery date, or (b) any Series 2006

Bond is authenticated on an interest payment date, in which case interest shall accrue from such interest payment date; provided that if at the time of authentication of any Series 2006 Bond, interest is in default, such Series 2006 Bond shall accrue interest from the date to which interest has been paid. The Series 2006 Bonds shall bear interest on overdue principal at the aforesaid respective rates.

Section 2.4 Denominations and Numbers. Subject to the provisions of Section 4.1 hereof, the Series 2006 Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$1,000, or any whole multiple thereof. The Series 2006 Bonds shall be numbered with the letter prefix "R" and shall be numbered from one (1) consecutively upwards in order of issuance. Since the Series 2006 Bonds are being privately placed with the Purchaser under the Bond Purchase Agreement, one bond certificate will be issued initially for each of the maturities of the Series 2006 Bonds.

Section 2.5 Paying Agent and Bond Registrar. The Issuer may remove any Paying Agent and any Bond Registrar, and appoint a successor or successors thereto. The Issuer shall submit to the Paying Agent or Bond Registrar, as the case may be, a notice of such removal at least 30 days prior to the effective date of such removal, and shall specify the date on which such removal shall take effect. Such removal shall take effect on the date that each successor Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing and delivering to the Issuer a written acceptance thereof. The principal of, premium, if any, and interest on the Series 2006 Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of and premium, if any, on the Series 2006 Bonds shall be payable when due to the Holder of each Bond at the principal office of the Paying Agent. Payment of interest on each Bond shall be made to the person which, as of the Record Date, is the Holder of the Bond and shall be made by check or draft mailed to the Person which, as of the Record Date, is the Holder of the Series 2006 Bond, at the address of such Holder 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 Holder on or prior to the Record Date. Pursuant to Section 2.3 hereof, payment of principal or interest on the Series 2006 Bonds also may be made under the direction of the Paying Agent by wire transfer or by inter-fund transfer.

Section 2.6 Optional Redemption and Redemption Price. The Series 2006 Bonds may be redeemed prior to maturity at the option of the Issuer on any business day at par plus accrued interest upon the Issuer giving the Bond Registrar at least thirty (30) days written notice and the Bond Registrar giving at least twenty (20) days written notice to the Bondholders.

Section 2.7 Sale of the Series 2006 Bonds. Approval is hereby granted for the sale and delivery of the Series 2006 Bonds to the Purchaser at a purchase price of \$472,000 as set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement the Mayor of the Issuer is hereby authorized to execute

and deliver, and the Recorder to seal and attest, the Bond Purchase Agreement in substantially the form set out as Exhibit B which is attached hereto.

Section 2.8 Execution of the Series 2006 Bonds. The Series 2006 Bonds shall be executed on behalf of the Issuer by the Mayor of the Issuer and attested by the Recorder (the signatures of said Mayor and Recorder being either manual and/or by facsimile) and the corporate seal of the Issuer or a facsimile thereof shall be impressed or imprinted thereon. The use of such facsimile signatures of said Mayor and Recorder and such facsimile of the seal of the Issuer on the Series 2006 Bonds are hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, attestation, and sealing of the Series 2006 Bonds by said officials. The Series 2006 Bonds shall then be delivered to the Bond Registrar for manual authentication by it. The Certificate of Authentication shall be substantially in the form provided in Section 5.1 hereof. Only such of the Series 2006 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 this Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Series 2006 Bonds so certified have been duly registered and delivered under, and are entitled to the benefits of, this Bond Resolution and that the Holder thereof is entitled to the benefits of this Bond Resolution. The Certificate of Authentication of the Bond Registrar on any Series 2006 Bond shall be deemed to have been executed by it if (a) such Series 2006 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 Series 2006 Bonds issued hereunder or that all of the Series 2006 Bonds hereunder be certified as registered by the same Bond Registrar and (b) the date of authentication of the Series 2006 Bonds is inserted in the place provided therefor on the Certificate of Authentication.

The Mayor and Recorder of the Issuer are authorized to execute, attest and seal from time to time, in the manner described above, Series 2006 Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Series 2006 Bonds pursuant to Article II hereof. At the time of the execution, attestation and sealing of the Exchange Bonds by the Issuer, the payee, principal amount, CUSIP number, if any, maturity and interest rate shall be in blank. Upon any transfer or exchange of Series 2006 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, certify as to registration and authenticate (if applicable) and deliver the Exchange Bonds, for the purpose of effecting transfers and exchanges of Series 2006 Bonds; provided that any Exchange Bonds registered, authenticated (if applicable) and delivered by the Bond Registrar shall bear the same series, maturity and interest rate as Series 2006 Bonds delivered to the Bond Registrar for exchange or transfer, and shall bear the name of such payee as the Bondholder 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 Series 2006 Bonds submitted for transfer or exchange, and of like series and having like maturities and interest rates, shall be canceled. The execution, attestation and sealing by the Issuer and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due

authorization of such Exchange 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 Series 2006 Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Series 2006 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 2.9 Delivery of Series 2006 Bonds. The Series 2006 Bonds shall be delivered to the Purchaser at such time and place as provided in, and subject to, the provisions of the Bond Purchase Agreement. The Treasurer is hereby instructed to make delivery of the Series 2006 Bonds to the Purchaser and to receive payment therefor in accordance with the terms of the Bond Purchase Agreement.

Section 2.10 Further Authority. The Mayor and the Recorder of the Issuer 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 Series 2006 Bonds.

ARTICLE III

TRANSFER AND EXCHANGE OF SERIES 2006 BONDS; BOND REGISTRAR

Section 3.1 Transfer of Series 2006 Bonds.

(a) Any Series 2006 Bond, may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 3.3 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2006 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. 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 Series 2006 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 Series 2006 Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Series 2006 Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.8 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 Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Series 2006 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 Issuer shall not be required to register the transfer of or exchange any Series 2006 Bond selected for redemption in whole or in part, except the unredeemed portion of Series 2006 Bonds being redeemed in part. Upon surrender of any Series 2006 Bond redeemed in part only, the Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Bondholder, at the expense of the Issuer, a new Series 2006 Bond or Bonds (which may be an Exchange Bond or Series 2006 Bonds pursuant to Section 2.8 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 Series 2006 Bond surrendered.

Section 3.2 Exchange of Series 2006 Bonds. If circumstances, not now contemplated, result in a modification of the expressed investment intent of the Purchaser and Series 2006 Bonds are later sold to other Bondholders, Series 2006 Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Series 2006 Bonds (which may be an

Exchange Bond or Bonds pursuant to Section 2.8 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Series 2006 Bond, no such exchange 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.

Section 3.3 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, Title 15, Chapter 7, Utah Code Annotated 1953, as amended. The Bond Registrar shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Series 2006 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 to be registered or transferred, on said books, Series 2006 Bonds as herein provided.

Section 3.4 List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the Holders of all Series 2006 Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholders.

Section 3.5 Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor and Recorder of the Issuer 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 Bondholders 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 Series 2006 Bonds as provided herein;
- (d) to cancel and/or destroy Series 2006 Bonds which 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 Series 2006 Bonds canceled and/or destroyed; and
- (f) to furnish the Issuer at least annually an audit confirmation of Series 2006 Bonds paid, Series 2006 Bonds outstanding and payments made with respect to interest on the Series 2006 Bonds.

ARTICLE IV

COVENANTS AND UNDERTAKINGS

Section 4.1 Covenants of Issuer. All covenants, statements, representations and agreements contained in the Series 2006 Bonds, and all recitals and representations in this Bond Resolution are hereby considered and understood and it is hereby resolved that all said covenants, statements, representations and agreements relating to the Series 2006 Bonds of the Mayor, are the covenants, statements, representations and agreements of the Issuer.

Section 4.2 Ratification of Prior Proceedings. All the proceedings heretofore taken and adopted for the creation of the District and for the construction of the Improvements therein and the assessment of a part of the cost of constructing such Improvements on and against the private properties in the District shall be and the same are hereby ratified, approved, and confirmed. The Issuer hereby finds and represents that no assessment will exceed the benefit to be derived from the Improvements by the piece of property assessed, and no parcel of property will bear more than its proportionate share of the cost of the Improvements to be made.

Section 4.3 Levy and Collection of Assessments. The Treasurer shall be and is hereby authorized and empowered, and it shall be his/her duty to receive and collect all assessments levied by the Assessment Ordinance to pay the cost of the Improvements of the District, the installments thereon, the interest thereon, and the penalties accrued, including without limiting the generality of the foregoing, the whole of the unpaid principal, interest and penalties accrued which become due and payable immediately because of the failure to pay any installment whether of principal or interest, when due, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same in accordance with the laws of the State of Utah and all the ordinances and resolutions of the Issuer heretofore or to be hereafter adopted, including the Assessment Ordinance.

All moneys constituting the payment of assessments pursuant to the Assessment Ordinance, including interest thereon, shall be placed in a regular fund to be designated "Special Assessment Fund" of Salt Lake City, Utah Special Assessment Bonds, Series 2006 (Rose Park Special Improvement District), and shall be used for the purpose of paying the principal of and the interest on the Series 2006 Bonds of the District and for no other purpose whatsoever, and as security for such payment, said fund is hereby pledged.

Section 4.4 Investment of Funds. Moneys deposited in the Special Assessment Fund and Guaranty Fund may be invested in Qualified Investments, provided, however, that any moneys remaining in the Special Assessment Fund for more than twelve (12) months may be so invested only upon the Treasurer obtaining an opinion of nationally recognized municipal bond counsel to the effect that such investment will not adversely affect the excludability from federal income taxes of interest on and of the Series 2006 Bonds, all in accordance with Section 103(c) of the Code.

Section 4.5 Guaranty Fund. The provisions of Section 10 of the Assessment Ordinance in reference to the Guaranty Fund are hereby readopted and the Issuer agrees with the holder of the Series 2006 Bonds herein authorized that it will, until the payment of the Series 2006 Bonds in full and the interest thereon has been paid, provide amounts to be transferred to the Guaranty Fund equal each year to such amount as a tax levy of .0002 on all property within the Issuer will produce until the Guaranty Fund is equal to not less than ten percent (10%) of the amount of all outstanding Special Improvement Bonds. The Guaranty Fund shall be maintained separate and apart from other municipal funds and shall be used and applied only as provided by the laws of the State of Utah. Moneys deposited in the Guaranty Fund shall be invested in such manner as to comply with Section 17A-3-334(2)(c) of the Act and Section 148 of the Code, and the Issuer hereby covenants to maintain such books and records and to account for all moneys deposited in the Guaranty Fund with respect to the Series 2006 Bonds so as to insure that the Allocable Portion of such moneys shall not be invested at a yield in excess of the yield on the Series 2006 Bonds, as applicable.

Section 4.6 Insufficiencies in Special Assessment Fund. Should there be insufficient money in the Special Assessment Fund to pay all of the interest falling due at one time and the principal amount of the Series 2006 Bonds due, the interest and principal shall be paid from the Guaranty Fund on a parity basis to the extent that there is sufficient money in the Guaranty Fund for this purpose, and the Series 2006 Bonds are payable exclusively from the regular assessments levied for said purpose and the Guaranty Fund.

Section 4.7 Lien of Assessment. The assessments, any interest accruing on the assessments and the penalties and costs of collection of the assessment shall continue to constitute and are hereby declared to be a lien against the properties upon which the assessment is levied within the District from and after the effective date of the Assessment Ordinance, which lien shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, and shall be equal to and on a parity with the lien for general property taxes. Such lien shall continue until the assessment and any interest, penalties, and costs thereon are paid, notwithstanding any sale of the property for or on account of a general property tax, regular tax, other assessment, or the issuance of a tax deed, an assignment of interest by the county, or a sheriff's certificate of sale or deed.

Section 4.8 Deposit of Funds. The funds hereinabove referred to shall be accounted for separate and apart from each other and from any other funds of the Issuer and shall, from time to time as they are accumulated, be deposited in such bank or banks as are designated as depositories of public monies for funds of the Issuer under the depository laws of the State of Utah for the deposit of public funds.

Section 4.9 Default in Payment of Assessments. Default in the payment of any installment of principal or interest of the assessments levied pursuant to the Assessment Ordinance, when due, may at the election of the Issuer, cause the whole of the unpaid principal or interest to become due and payable immediately and the whole amount of the unpaid principal shall thereafter draw interest pursuant to Section 17A-3-322 of the Act

at the same interest rate as would be applied to delinquent real property taxes for the year in which the balance became effective. In addition, costs and expenses of collection may be added to the delinquent installments. The Issuer covenants and agrees that it will proceed with due diligence to collect delinquent payments plus collection costs. It may place in operation the procedure necessary to provide for a tax sale of all delinquent property in accordance with the ordinances of the Issuer or in the manner provided by Title 59, Chapter 2, Part 13, Utah Code Annotated 1953, as amended for the sale of property for delinquent general property taxes as modified in Section 17A-3-324(1) of the Act.

In lieu of the tax sale enforcement remedy, the Issuer may provide for the summary sale of any property assessed after a delinquency shall have occurred in the payment of any assessment or part or installment of it. The sale shall be in the manner provided for actions to foreclose mortgage liens or trust deeds, except that if at the sale no person or entity shall bid and pay the Issuer the amount due on the assessment plus interest and costs, the property shall be deemed sold to the Issuer for these amounts. The Issuer shall be permitted to bid at the sale.

The proceeds from the sale of any property sold will be placed in the Special Assessment Fund.

The remedies provided in this section for the collection of assessments and the enforcement of liens and any other remedies available under law to the Issuer shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the Issuer of the use of any other method or means and that the proceeds from the sale of any property sold will be placed in the Special Assessment Fund hereinabove referred to.

Section 4.10 Series 2006 Bonds in Registered Form. The Issuer recognizes that Section 149 of the Code requires the Series 2006 Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Series 2006 Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Series 2006 Bonds to be issued in, or converted into, bearer or coupon form.

Section 4.11 Tax Covenants.

(a) The Mayor and the Recorder are hereby authorized and directed to execute such certificates as shall be necessary to establish that the Series 2006 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code as the same presently exists, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Bondholders and the beneficial owners of the Series 2006 Bonds that no use will be made of the proceeds of the issue and sale of the Series 2006 Bonds, or any funds or accounts of the Issuer which may be deemed to be Gross Proceeds of the Series 2006 Bonds, which use, if it had been reasonably expected on the date of issuance of the Series 2006 Bonds, would have caused the Series 2006

Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of the Series 2006 Bonds with the requirements of Sections 103 through 150 of the Code. The Issuer further represents and covenants that no bonds or other evidences of indebtedness of the Issuer have been or will be issued, sold or delivered within a period beginning 31 days prior to the sale of the Series 2006 Bonds and ending 31 days following the delivery of the Series 2006 Bonds.

(b) The Issuer hereby covenants and agrees to determine the Allocable Portion of the Guaranty Fund allocable to the Series 2006 Bonds upon the occurrence of each of the following events:

- (i) upon the date of issuance of the Series 2006 Bonds;
- (ii) when the size of the Guaranty Fund increases as a result of either (A) deposits into the Guaranty Fund, or (B) earnings credited to the Guaranty Fund;
- (iii) when the last bond of any outstanding issue of Special Improvement Bonds is retired; and
- (iv) when new Special Improvement Bonds are issued by the Issuer.

The amount of such Allocable Portion, if any, which exceeds the Unrestricted Portion of Bond Proceeds will, immediately upon such determination of such Allocable Portion, be invested at a yield not exceeding the yield on the Series 2006 Bonds or in Tax-Exempt Obligations. For this purpose, proceeds of and yield on the Series 2006 Bonds shall be based upon the first price at which a substantial amount (not less than 10%) of the principal amount of the Series 2006 Bonds are sold to the public or final purchasers (not including bond houses or brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers). Yield on the Series 2006 Bonds and on the investment of proceeds thereof shall be calculated in the manner provided in Treasury Regulation Section 1.103-13(c) and Section 148(h) of the Code, and the provisions therein will be complied with in all respects. Thus, generally, yield means that percentage rate which when used in computing the present value of payments of principal of and interest on the Series 2006 Bonds or investments of proceeds thereof produces an amount equal to the purchase price thereof.

(c) (i) There is hereby created and established a fund designated the “Rebate Fund of Salt Lake City, Utah, Rose Park Special Improvement District” (the “Rebate Fund”) for the purpose of compliance with the rebate requirements of Section 148(f) of the Code. The requirements of this subsection (c) are subject to, and shall be interpreted in accordance with, Section 148 of the Code.

(ii) The Issuer shall account for the investment of the Gross Proceeds of the Series 2006 Bonds comprised of the total settlement amount of \$_____ and make the required arbitrage rebate payments to the federal government from the earnings from said Gross Proceeds of the Series 2006 Bonds or from any other legally available source (provided, however, that this obligation shall not be construed as constituting a debt or liability of the Issuer within the meaning of any constitutional or statutory limitation upon the incurrence of indebtedness by the Issuer) at the times, upon the terms and conditions, and in the manner specified in Section 148(f) of the Code.

(iii) The Issuer shall compute the amount of "Excess Earnings," if any, as required by Section 148(f) of the Code (notwithstanding any provision or requirement in this Bond Resolution to the contrary), and shall transfer into the Rebate Fund such amount from the accounts established hereunder or from the other legally available moneys of the Issuer. Amounts held in the Rebate Fund shall be invested and reinvested by the Treasurer, in Qualified Investments which mature or are subject to redemption by the holder or owner prior to the date such funds are expected to be needed. Notwithstanding anything contained herein to the contrary, interest accruing on and profit realized from funds on deposit in the Rebate Fund shall be deposited into the Rebate Fund.

If at any time the amount in the Rebate Fund exceeds the amount that would be required to be paid to the United States under paragraph (v) below if the Series 2006 Bonds had been paid in full, such excess shall promptly be transferred to the Special Assessment Fund.

(iv) In general, "Excess Earnings" for any period of time means the sum of

(A) the excess of --

(I) the aggregate amount earned from the date of issue of the Series 2006 Bonds on all "Nonpurpose Investments" (including gains on the disposition of such obligations) in which Gross Proceeds of the Series 2006 Bonds are invested (other than amounts attributable to an excess described in this subparagraph (iv)(A)(I)), over

(II) the amount that would have been earned during such period of time if the yield on such Nonpurpose Investments had been equal to the yield on the Series 2006 Bonds, plus

(B) any income during such period of time attributable to the excess described in subparagraph (iv)(A) above.

“Excess Earnings” will not include amounts which need not be taken into account under the special rules of Section 148 of the Code or any successor thereof relating to bona fide debt service funds.

The term “Nonpurpose Investments” shall have the meaning prescribed by Section 148 of the Code or any successor thereof and shall be applied in the manner prescribed in such section.

(v) The Issuer shall make the payments to the United States required in this subsection in installments. The first payment shall be made no later than 29 days after the fifth anniversary of the date of issuance of the Series 2006 Bonds and the payment of each subsequent installment (except the last installment) shall be made not later than five years after the preceding payment was due.

Each installment (except the last installment) shall be in an amount which, when added to all prior installments, is not less than 90% of the Excess Earnings computed as of the anniversary of the date of issuance of the Series 2006 Bonds nearest to the date of payment. Payment of the last installment shall be made not later than 60 days after the date on which the last Series 2006 Bond has been discharged, in an amount which, when added to all prior installments, equals 100% of the Excess Earnings determined as of the payment date of the last installment.

Each payment shall be filed with the Internal Revenue Service Center, Ogden, Utah, 84201, accompanied by a statement summarizing the Issuer’s determination of the amount required to be paid to the United States together with a copy of the Form 8038-G filed with respect to the Series 2006 Bonds.

(vi) The Treasurer will keep and retain or cause to be kept and retained, until the date six years after the retirement of the last Series 2006 Bond, adequate records with respect to the Series 2006 Bonds and the investment and expenditure of Gross Proceeds thereof to comply with the aforementioned arbitrage rebate requirements, including without limitation a complete list of all investments and reinvestments of Gross Proceeds of the Series 2006 Bonds including (A) purchase price, (B) purchase date, (C) type of security or investment, (D) accrued interest paid (if any), (E) interest rate (if applicable), (F) dated date (if applicable), (G) principal amount, (H) date of maturity, (I) interest payment dates (if applicable), (J) date of liquidation, (K) amounts received upon liquidation, and (L) the market value of such security or investment on the date it became Gross Proceeds of the Series 2006 Bonds and on the date of the retirement of the last Series 2006 Bond if then held by the Issuer.

(d) The Issuer hereby covenants and agrees that it will not enter into any transaction or cause any transaction to be entered into with respect to the investment of Gross Proceeds of the Series 2006 Bonds, or otherwise, which reduces the amount which may be required to be paid to the United States

pursuant to the arbitrage rebate requirements specified hereinabove, because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arms length and had the yield on the Series 2006 Bonds not been relevant to either party.

(e) The Issuer further covenants and agrees to and for the benefit of the Bondholders that the Issuer (i) will not take any action that would cause interest on the Series 2006 Bonds to become includable in gross income for federal income tax purposes, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Series 2006 Bonds to become includable in gross income for federal income tax purposes, and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Series 2006 Bonds in order to preserve the excludability from gross income for federal income tax purposes.

Section 4.12 Nondesignation of Series 2006 Bonds. The Issuer has not designated the Series 2006 Bonds, and the Series 2006 Bonds are not qualified, as qualified Tax-Exempt Obligations under Section 265(b)(3) of the Code, relating to the deductibility of a financial institution's interest expenses allocable to tax-exempt interest.

Section 4.13 Investment of Funds. Moneys deposited in the Guaranty Fund may be invested in Qualified Investments. Moneys deposited in the Special Assessment Fund may be invested in Qualified Investments or in Tax-Exempt Obligations; provided, however, that any amount in the Special Assessment Fund which exceeds the sum of (i) the Special Assessment Fund Matching Amount, plus (ii) the excess, if any, of (A) the Unrestricted Portion of Bond Proceeds, over (B) the Allocable Portion of the Guaranty Fund (as a result, for example, of prepayment of assessment installments), shall be invested at a yield not to exceed the yield on the Series 2006 Bonds or in Tax-Exempt Obligations.

ARTICLE V

FORM OF SERIES 2006 BONDS

Section 5.1 Form of Series 2006 Bonds. Each fully registered Series 2006 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:

[FORM OF BOND]

Registered

Registered

UNITED STATES OF AMERICA
STATE OF UTAH
SALT LAKE CITY, UTAH
SPECIAL ASSESSMENT BOND, SERIES 2006
(ROSE PARK SPECIAL IMPROVEMENT DISTRICT)

Number R-

\$

Interest Rate

Maturity Date

Original Issue Date

CUSIP:

Registered Owner: _____

Principal Amount: _____ DOLLARS

Salt Lake City, Utah (the "Issuer"), a duly organized and existing political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or registered assigns, on the Maturity Date identified above, upon presentation and surrender hereof, the Principal Amount identified above, and to pay the Registered Owner hereof interest on the balance of said Principal Amount from time to time remaining unpaid specified below at the interest rate per annum (calculated on the basis of a year of 360 days and twelve 30-day months) identified above (the "Interest Rate"), payable on August 1, 2006, and thereafter in each year on the 1st day of August until payment in full of said Principal Amount. Interest on this Series 2006 Bond shall accrue from the interest payment date next preceding the date on which it is authenticated, unless (a) it is authenticated before the first interest payment date following the initial delivery of Series 2006 Bonds, in which case interest shall accrue from the Original Issue Date identified above, or (b) this Series 2006 Bond is authenticated on an interest payment date, in which case interest shall accrue from such interest payment date; provided that if at the time of authentication of this Series 2006 Bond, interest is in default, interest shall accrue from the date to which interest has been paid. Principal of and premium, if any, on this Series 2006 Bond shall be payable at the office of the Bank of New York Trust Company, N.A., 700 South Flower Street., Suite 500, Los Angeles, California, 90017-4104, as Paying Agent, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts; and payment of the annual 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 as of the Bond Registrar's close of business on the fifteenth day immediately preceding each interest payment date at the address of such Registered Owner as it appears on the registration books kept by

the hereinafter defined Bond Registrar, or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar as provided in the hereinafter defined Bond Resolution.

This Series 2006 Bond is one of the Special Assessment Bonds, Series 2006 of the Issuer (the "Series 2006 Bonds") limited to the aggregate principal amount of \$472,000 issued under and by virtue of the Utah Municipal Improvement District Act, Title 17A, Chapter 3, Part 3, Utah Code Annotated 1953, as amended (the "Act"), and under and pursuant to a resolution of the Issuer adopted on the 7th day of February, 2006 (the "Bond Resolution"), for the purpose of (a) reimbursing the Issuer for costs advanced for the removal and reconstruction of curb, gutter, sidewalks, driveways, appurtenances, and all other miscellaneous work necessary to complete the improvements in a proper workmanlike manner (the "Improvements"), and (b) paying issuance expenses incurred in connection with the issuance of the Series 2006 Bonds.

The Bank of New York Trust Company, N.A. is the initial bond registrar and paying agent with respect to the Series 2006 Bonds. Said bond registrar and paying agent, together with any successor bond registrar or paying agent, respectively, is referred to herein as the "Bond Registrar" and the "Paying Agent".

Payment of this Series 2006 Bond and the interest thereon shall be made from, and as security for such payment there is pledged the Special Assessment Fund of Salt Lake City, Utah Special Assessment Bonds, Series 2006 for the Salt Lake City, Utah, Rose Park Special Improvement District (the "District"), containing the receipts derived by the Issuer from the regular assessments levied upon the property included in the District by the Assessment Ordinance adopted by the Issuer, which ordinance became effective on the 21st day of November, 2005 (the "Assessment Ordinance"), for the purpose of paying the costs of the Improvements under, by virtue of, and in full conformity with the Constitution and laws of the State of Utah and certain ordinances and resolutions of the Issuer duly passed and in effect thereof prior to the issuance hereof.

The Series 2006 Bonds are subject to redemption at any time at par plus accrued interest prior to maturity on any business day upon thirty (30) days written notice from the Issuer to the Bond Registrar who shall give twenty (20) days written notice to the Bondholders.

It is hereby certified that a Special Improvement Guaranty Fund has been created by ordinance as authorized by Utah statutes, and the Issuer agrees that at all times during the life of this Series 2006 Bond and until payment thereof in full, said fund shall be at all times maintained as required by ordinance. This Series 2006 Bond is not a general obligation of the Issuer but is payable exclusively out of said Special Assessment Fund and said Special Improvement Guaranty Fund. The Issuer shall not be held liable for the payment of this Series 2006 Bond, except to the extent of the funds created and received from said regular assessments and to the extent of its Special Improvement Guaranty Fund; but the Issuer shall be held responsible for the lawful levy of all regular assessments, for the creation and maintenance of the Special Improvement Guaranty

Fund as provided by law, and for the faithful accounting, collection, settlement and payment of the assessments and for the moneys of said fund.

The special assessments made and levied pursuant to the Assessment Ordinance, with accruing interest thereon, and the cost of collection of the assessments constitute a lien upon and against the property upon which such assessments were made and levied from and after the effective date of the Assessment Ordinance, which lien is superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien or other encumbrance. Said lien is equal to and on a parity with the lien for general property taxes and shall continue until the assessments and interest thereon are paid, notwithstanding any sale of the property for or on account of a general property tax, regular tax, other assessment or the issuance of an auditor's deed.

This Series 2006 Bond is transferable as provided in the Bond Resolution only upon the books of the Issuer kept for that purpose at the principal office of the Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Series 2006 Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Series 2006 Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Series 2006 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, nor the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

The Series 2006 Bonds are issuable solely in the form of registered Series 2006 Bonds without coupons in the denomination of \$1,000 or any whole multiple thereof.

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 Series 2006 Bond and the issue of Series 2006 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 statutes 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 Series 2006 Bond exist, have happened and have been performed and that the issue of Series 2006 Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that the

aggregate amount of special assessment bonds of the Issuer for the District, including this Bond, does not exceed the amount authorized by law nor the special assessment levied to cover the cost of Improvements in the District, and that all of said special assessment has been lawfully levied.

This Series 2006 Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, SALT LAKE CITY, UTAH, has caused this Series 2006 Bond to be signed in its name and on its behalf by its Mayor and attested by its City Recorder or Deputy City Recorder (the signatures of said Mayor and City Recorder or Deputy City Recorder being by facsimile or manual signature), and has caused its corporate seal or the facsimile of its corporate seal to be impressed or printed hereon, and said officials by the execution hereof adopt as and for their own proper signatures their facsimile signatures appearing on each of the Series 2006 Bonds.

(SEAL)

By: _____ (Do Not Sign)
Mayor

ATTEST:

By: _____ Do Not Sign)
City Recorder (or Deputy City Recorder)

CERTIFICATE OF AUTHENTICATION

This Series 2006 Bond is one of the Series 2006 Bonds described in the within-mentioned Bond Resolution and is one of the Salt Lake City, Utah Special Assessment Bonds, Series 2006 (Rose Park Special Improvement District).

THE BANK OF NEW YORK TRUST
COMPANY, N.A.,
as Bond Registrar

By: _____
Authorized Officer

Date of authentication: _____

ABBREVIATIONS

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
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____
(Cust.)

Custodian for _____
(Minor)

under Uniform Gifts to Minors Act of _____
(State)

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned sells, assigns, and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature: _____

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

Signature Guaranteed:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Ratification. All proceedings, resolutions, and actions of the Issuer and its officers taken in connection with the sale and issuance of the Series 2006 Bonds are hereby ratified, confirmed, and approved.

Section 6.2 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 provisions of this Bond Resolution.

Section 6.3 Conflict. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

Section 6.4 Captions. The table of contents 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 6.5 Effective Date. This Bond Resolution shall take effect immediately.

ADOPTED AND APPROVED this 7th day of February, 2006.

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Deputy City Recorder

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

The meeting was then adjourned.

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Deputy City Recorder

PRESENTATION TO THE MAYOR

The foregoing resolution was presented to the Mayor for his approval or disapproval on the _____ day of _____, 2006.

By: _____
Chair

MAYORS APPROVAL OR DISAPPROVAL

The foregoing resolution is hereby approved this _____ day of _____, 2006.

By: _____
Mayor

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, _____, do hereby certify that I am the duly qualified and acting Deputy City Recorder of Salt Lake City, Utah (the "Issuer"). I further certify that the above and foregoing is a true and correct copy of the minutes of a meeting of the City Council held on the 7th day of February, 2006, including a resolution adopted at said meeting as said minutes and resolution are officially of record and in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and affixed the seal of the Issuer this 7th day of February, 2006.

(SEAL)

By: _____
Deputy City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, _____, the undersigned Deputy City Recorder of Salt Lake City, Utah (the "Issuer"), do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-6(2), 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 February 7, 2006, public meeting held by the Issuer as follows:

(a) By causing a Notice in the form attached hereto as Schedule 1, to be posted at the Issuer's offices at 451 South State Street, Salt Lake City, Utah, on the 3rd day of February, 2006, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to the Deseret News on the 3rd day of February, 2006, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 7th day of February, 2006.

(SEAL)

By: _____
Deputy City Recorder

SCHEDULE 1

NOTICE OF MEETING

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

[See Transcript Document No. ____]