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# SALT LAKE CITY COUNCIL

## MEMORANDUM

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DATE: August 10, 2007

SUBJECT: Resolution awarding the sale of \$376,000  
Special Assessment Bonds, Series 2007  
900 East Streetscape Update #106018  
(Districts 4 and 5) and approving the  
related bond purchase agreement; and

Resolution awarding the sale of \$129,000  
Special Assessment Bonds, Series 2007  
Strongs Court #102109 and Fenway Avenue  
#102129 (District 4) Reconstruction Special  
Improvement District and approving the related  
bond purchase agreement

AFFECTED COUNCIL DISTRICTS: 4 and 5

STAFF REPORT BY: Jan Aramaki, Constituent Liaison/Policy Analyst

ADMINISTRATIVE DEPT.  
AND CONTACT PERSON: Dan Mulé

NOTICE REQUIREMENTS: N/A

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### POTENTIAL MOTIONS:

1. ["I move that the Council"] Adopt a resolution authorizing the issuance and providing for the sale of the \$376,000 Salt Lake City, Utah Assessment Bonds, Series 2007 (900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018) (The "Series 2007 Bonds") providing for pricing and terms of the Series 2007 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.

and

Adopt a resolution authorizing the issuance and providing for the sale of the \$129,000 Salt Lake City, Utah Assessment Bonds, Series 2007 (Strongs Court #102109 and Fenway Avenue #102129 Reconstruction Special Improvement District (The "Series 2007 Bonds") providing for pricing and terms of the Series 2007 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 two bond resolutions authorizing the issuance and confirming the sale of:

1. \$376,000 of assessment bonds, Series 2007, 900 South 900 East Streetscape Upgrade Special Improvement District No. 106018; and
2. \$129,000 of assessment bonds, Series 2007, Strongs Court #102109 and Fenway Avenue #102129 Reconstruction Special Improvement District.

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

(a) "reconstruction of roadway pavement, construction and installation of concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities, street lighting, traffic signals, and landscaping;

(b) retiring any outstanding interim warrants, and

(c) paying issuance costs incurred in connection with the issuance of the Bonds."

The total estimated cost for the 900 South 900 East Streetscape Upgrade Special Improvement District No. 106018 amounted to \$2,074,938, of which the City paid \$1,649,310. In June of 2007, the City Council adopted an ordinance to assess properties affected or benefited by the improvements within the District in the amount of \$425,628. Property owners were given the option to pay the whole or any part of their portion of the assessments without interest within a pre-payment period of 25-days after the assessment ordinance became effective. Any part of the assessment not paid within the 25-day pre-payment period shall be payable over a period of ten years in substantially equal annual principal installments plus interest at the bond rate to pay off bond debt. During the pre-payment period, \$48,869 was remitted by property owners resulting in a balance of \$376,759 to be assessed over a ten year period. However, because bonds are issued in even \$1,000 increments and the bond amount cannot exceed the balance due, the par amount of bonds to be issued is \$376,000 (rounded down to the nearest \$1,000).

The total estimated cost for the Strongs Court #102109 and Fenway Avenue #102129 Reconstruction Special Improvement District amounted to \$428,097, of which the City paid \$235,406. In June 2007, the City Council adopted an ordinance to assess properties affected or benefited by the improvements within the District in the amount of \$192,691. Property owners were given the option to pay the whole or any part of their portion of the assessments without interest within a pre-payment period of 25-days after the assessment ordinance became effective. Any part of the assessment not paid within the 25-day pre-payment period shall be payable over a period of ten years in substantially equal annual principal installments plus interest at the bond rate to pay off bond debt. During the pre-payment period, \$63,235 was remitted by property owners resulting in a balance of \$129,456 to be assessed over a ten year period. However, because bonds are issued in even \$1,000 increments and the bond amount cannot exceed

the balance due, the par amount of bonds to be issued is \$129,000 (rounded down to the nearest \$1,000).

The City is required to maintain a guaranty fund equal to 10 percent of the par amount of all outstanding special assessment bonds for the purpose of guaranteeing the payment of debt service on these bonds. The City's guaranty fund has a sufficient balance to provide this guaranty.

The City has a contract with an investment banking firm to act as underwriter for all SID bonds. Because the dollar amount to be bonded is minimal, the Administration decided to issue these bonds as "private placement" bonds meaning that bonds issued by a state or local government are sold directly to an investor and not re-offered to the public. As such, the investor will purchase these bonds and place them into their own portfolio. Zions First National Bank, as underwriter, has been awarded the purchase of the bonds at a net interest cost to the City of 4.15%. A copy of the debt service schedule is attached at the end of the Administration's transmittal.

## **CHRONOLOGY:**

### **900 South 900 East Streetscape Upgrade Special Improvement District No. 106018**

- On June 5, 2007, the City Council adopted an ordinance confirming the modified and equalized assessment rolls and levying an assessment against certain properties in the Salt Lake City, for the purpose of paying costs of: reconstruction of roadway pavement, and to construct and install concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities, site furnishing, street lighting, traffic signals, landscaping and all other miscellaneous work necessary to complete improvements
- On April 10, 11, and 12, 2007, the Board of Equalization and Review met with property owners.
- On March 6, 2007, the City Council adopted a resolution to appoint a Board of Equalization and Review and set the dates for the Board to hear and consider objections and corrections to any proposed assessments.
- On December 13, 2005, 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 900 South 900 East Streetscape Upgrade SID 106018.
- On April 12, 2005, the City Council adopted a resolution to create the District and authorize City officials to proceed with the construction of improvements.
- On March 8, 2005, a protest hearing was held.
- On February 1, 2005, the City Council adopted a resolution setting the protest hearing date and declaring the intention of the City Council to create a Special Improvement District to upgrade the streetscape in the 900 East 900 South for Special Improvement District 106018.

### **Strongs Court #102109 and Fenway Avenue #102129 Reconstruction Special Improvement District**

- **June 5, 2007:** The City Council adopted an ordinance confirming the modified and equalized assessment rolls and levying an assessment against certain properties in the Salt Lake City, Utah Strongs Court (#102109) and Fenway Avenue (#102129) Reconstruction Special Improvement District for the purpose of paying the costs of the

reconstruct roadways, including concrete pavement, gutters, sidewalks, water facilities, driveway approaches, street lighting, and related improvements.

- **April 10, 11, and 12, 2007:** Board of Equalization Review
- **March 6, 2007:** The City Council adopted a resolution to appoint a Board of Equalization and Review and set the dates for the Board to hear and consider objections and corrections to any proposed assessments.
- **June 6, 2006:** The City Council adopted resolutions to create the District and authorize the City officials to proceed with the construction of the improvements and accept bids and authorize execution of a contract to the best bidder for construction work and materials to complete the improvements for the Strongs Court and Fenway Avenue SID.
- **April 12, 2006:** Bid opening held -- only one bid was submitted.
- **April 11, 2006:** A protest hearing was held.
- **March 7, 2006:** the City Council adopted a resolution declaring the intention of the City Council to create a Special Improvement District to construct improvements within the City consisting of the reconstruction of roadways, including installation of concrete pavement, gutters, sidewalk, water facilities, driveway approaches, street lighting, and all other miscellaneous work necessary to complete the improvements in a proper and workmanlike manner; to create the Salt Lake City Strongs Court (#102109) and Fenway Avenue (#102129) reconstruction Special Improvement District.

CC: Cindy Gust-Jenson, Louis Zunguze, Sam Guevara, Lyn Creswell, Rick Graham, Max Peterson, Gwen Springmeyer, Michael Stott, Sylvia Richards, Cindy Lou Rockwood, Diana Karrenberg, Dan Mulé, Tim Harpst, Boyd Ferguson, Karen Carruthers, Garth Limburg, Marina Scott, Susan Finlayson, Randy Hillier, Blaine Carlton, Cindy Arnold, and Jennifer Bruno


AUG 08 2007

DANIEL A. MULE'  
CITY TREASURER

**SALT LAKE CITY CORPORATION**  
DEPARTMENT OF MANAGEMENT SERVICES  
TREASURER

ROSS C. "ROCKY" ANDERSON  
MAYOR

**COUNCIL TRANSMITTAL**

**TO:** Lyn Creswell, Chief Administrative Officer 

**FROM:** Daniel A. Mulé, City Treasurer 

**DATE:** August 7, 2007

**SUBJECT:** Resolution Awarding the Sale of \$376,000 Special Assessment Bonds Series 2007 (900 South, 900 East Streetscape Upgrade, C-106018; and Strongs Court, C-102109 and Fenway Avenue (102129) and Approving the Related Bond Purchase Agreement

**STAFF CONTACT:** Daniel A. Mulé, City Treasurer

**TELEPHONE NUMBER:** 535-6411

**RECOMMENDATION:** That the City Council approve the issuance and sale of the above-referenced Special Assessment Bonds to Zions First National Bank

**DOCUMENT TYPE:** Resolution

**BUDGET IMPACT:** None.

**DISCUSSION:** On Tuesday, August 14, 2007, the City Council will consider adopting a bond resolution authorizing the issuance and confirming the sale of \$376,000 of special assessment bonds for the 900 South and 900 East Streetscape District. The amount assessed to property owners on June 5, 2007 was \$425,628. During the prepayment period, property owners remitted \$48,869 resulting in a balance to be assessed over a 10-year period of \$376,759. Also for consideration that evening, the City Council will consider adopting a bond resolution authorizing the issuance and confirming the sale of \$129,000 of special assessment bonds for the Strongs Court and Fenway Avenue District. The amount assessed to property owners on June 5, 2007 was \$192,691. During the prepayment period, property owners remitted \$63,235 resulting in a balance to be assessed over a 10-year period of \$129,456. A copy of the Bond Resolution and Bond Purchase Agreement is attached for your review.

Lyn Creswell  
March 6, 2007  
Page 2

The Bonds are authorized to be issued for the purpose of (a) reconstruction of roadway pavement, construction and installation of concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities street lighting, traffic signals and landscaping, (b) retiring any outstanding interim warrants, and (c) paying issuance costs incurred in connection with the issuance of the Bonds.

A Request for Bids was issued and the Bonds were sold as "private placement" bonds with the award made to the firm offering the lowest interest rate bid. A private placement is when bonds or notes are issued by a state or local government and sold directly to investors but not re-offered to the public. Zions First National Bank purchased the Bonds at a net interest cost (NIC) to the City of 4.15%. This rate is the annual interest rate that will be charged on assessments to property owners in this District. In addition to the Bond Resolutions and Bond Purchase Agreements a copy of the bid rankings and debt service schedules are also attached for your review.

#### Attachments

cc: Steve Fawcett  
Randy Hillier  
Gordon Hoskins  
Marina Scott

Salt Lake City, Utah

August 14, 2007

A regular meeting of the City Council of Salt Lake City, Utah, was held on Tuesday, the 14th day of August, 2007, 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:

Van Blair Turner	Chair
Jill Remington-Love	Vice Chair
Nancy Saxton	Councilmember
Søren Dahl Simonsen	Councilmember
K. Eric Jergensen	Councilmember
Carlton Christensen	Councilmember
David L. Buhler	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 14th day of August, 2007, 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 2007

A RESOLUTION AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE SALE OF THE \$376,000 SALT LAKE CITY, UTAH ASSESSMENT BONDS, SERIES 2007 (900 SOUTH, 900 EAST STREETSCAPE UPGRADE SPECIAL IMPROVEMENT DISTRICT NO. 106018) (THE "SERIES 2007 BONDS") PROVIDING FOR PRICING AND TERMS OF THE SERIES 2007 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 the "Salt Lake City, Utah 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018" (the "District"), and adopted and approved an assessment ordinance of the Issuer (the "Assessment Ordinance") confirming the assessment list for the District on the 5th day of June, 2007; and

WHEREAS, the Assessment Ordinance 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 to all the owners of property assessed in the District; and

WHEREAS, the total cost of the improvements constructed within the District was \$2,074,938, of which the Issuer's portion was \$1,649,309.82, that during the cash payment period following the effective date of the Assessment Ordinance, property owners in the District have prepaid \$48,868.59 of their assessments, leaving an amount to be paid through the issuance of bonds or from funds provided by the Issuer of \$376,000 (rounded down to the nearest \$1,000); and

WHEREAS, the Council now desires to authorize the issuance and sale of the Series 2007 Bonds in the total principal amount of \$376,000 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 2007 Bonds 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 2007 Bonds and to award the sale of the Series 2007 Bonds to the Purchaser:

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

## 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 Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended, which amended and restated the Municipal Special 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 2007 Bonds according to (i) the proportion that the original face amount of the Series 2007 Bonds bears to the aggregate of the original face amounts of the Series 2007 Bonds and all other outstanding Assessment 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 2007 Bonds from gross income for federal income tax purposes.

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

“Assessment Ordinance” means the assessment ordinance adopted by the Issuer on the 5th day of June, 2007, which assessed the properties benefited by the Improvements within the District.

“Bondholder” or “Holder” means the registered owner of any Series 2007 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 14th day of August, 2007, by and between the Issuer and the Purchaser in the form attached hereto as Exhibit B, pursuant to which the Series 2007 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 2007 Bonds. Pursuant to Sections 2.5 and 3.5 hereof, the initial Bond Registrar for the Series 2007 Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101.

“Bond Resolution” means this Resolution of the Issuer authorizing the issuance and sale of the Series 2007 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 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018.

“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 2007 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 Assessment Bonds issued by the Issuer pursuant to the Act, except those Assessment Bonds that are secured by a separate reserve fund and not by the Guaranty Fund.

“Improvements” means the reconstruction of roadway pavement, and the construction and installation of concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities, site furnishing, street lighting, traffic signals, landscaping and all other miscellaneous work necessary to complete the whole in a proper and workmanlike manner.

“Issuer” means Salt Lake City, Utah.

“Paying Agent” means each Person appointed by the Issuer as paying agent with respect to the Series 2007 Bonds. Pursuant to Sections 2.5 and 3.5 hereof the initial Paying Agent for the Series 2007 Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101.

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

“Purchaser” means Zions First National Bank, One South Main Street, 18th Floor, Salt Lake City, Utah 84111-1027.

“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.

“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, Acting City Recorder, or any Deputy City Recorder of the Issuer.

“Series 2007 Bonds” means the Salt Lake City, Utah Assessment Bonds, Series 2007 (900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018) 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 2007 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 2007 Bonds.

“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 2007 Bonds equal to the sum of (i) 10% of the proceeds of the Series 2007 Bonds, plus (ii) the lesser of (A) 5% of the proceeds of the Series 2007 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 2007 BONDS

Section 2.1 Authorization of Series 2007 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 Assessment Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of \$376,000 (the "Series 2007 Bonds"). The Series 2007 Bonds shall be designated "Salt Lake City, Utah Assessment Bonds, Series 2007 (900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018)." The Series 2007 Bonds shall be issued in fully registered form only, without coupons.

Section 2.2 Purpose. The Series 2007 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 2007 Bonds.

Section 2.3 Bond Details. The Series 2007 Bonds will be dated as of their date of delivery, and will mature on June 1 in the following years and amounts and will bear interest at the following rate or rates:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2008	\$34,000	3.77%
2009	31,000	3.84
2010	33,000	3.88
2011	34,000	3.91
2012	36,000	3.96
2013	38,000	4.01
2014	40,000	4.06
2015	41,000	4.11
2016	43,000	4.17
2017	46,000	4.22

The Series 2007 Bonds shall bear interest payable semi-annually beginning on December 1, 2007, and continuing thereafter on each June 1 and December 1 of each year by wire transfer of funds, or by check or draft mailed to the registered owners of record of the Series 2007 Bonds. Because the Purchaser intends to hold the Series 2007 Bonds for investment purposes, it is anticipated the Purchaser will be the only Bondholder as long as any of the Series 2007 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 2007 Bonds.

Each Series 2007 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 2007 Bonds, in which case interest shall accrue from their initial delivery date, or (b) any Series 2007 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 2007 Bond, interest is in default, such Series 2007 Bond shall accrue interest from the date to which interest has been paid. The Series 2007 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 2007 Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$1,000, or any whole multiple thereof. The Series 2007 Bonds shall be numbered with the letter prefix "R" and shall be numbered from one (1) consecutively upwards in order of issuance. Because the Series 2007 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 2007 Bonds.

Section 2.5 Paying Agent and Bond Registrar. The Issuer may at any time 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 2007 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 2007 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 2007 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 2007 Bonds also may be made under the direction of the Paying Agent by wire transfer or by inter-fund transfer.

Section 2.6 No Prior Redemption. The Series 2007 Bonds are not subject to redemption prior to maturity.

Section 2.7 Sale of the Series 2007 Bonds. Approval is hereby granted for the sale and delivery of the Series 2007 Bonds to the Purchaser at a purchase price of \$376,000 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 2007 Bonds. The Series 2007 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 2007 Bonds are hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, attestation, and sealing of the Series 2007 Bonds by said officials. The Series 2007 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 2007 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 2007 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 2007 Bond shall be deemed to have been executed by it if (a) such Series 2007 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 2007 Bonds issued hereunder or that all of the Series 2007 Bonds hereunder be certified as registered by the same Bond Registrar, and (b) the date of authentication of the Series 2007 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 2007 Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Series 2007 Bonds pursuant to Article III 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 2007 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 2007 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 2007 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 2007 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 2007 Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Series 2007 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 2007 Bonds. The Series 2007 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 2007 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 2007 Bonds.

## ARTICLE III

### TRANSFER AND EXCHANGE OF SERIES 2007 BONDS; BOND REGISTRAR

#### Section 3.1 Transfer of Series 2007 Bonds.

(a) Any Series 2007 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 2007 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 2007 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 2007 Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Series 2007 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 2007 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 2007 Bond selected for redemption in whole or in part, except the unredeemed portion of Series 2007 Bonds being redeemed in part. Upon surrender of any Series 2007 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 2007 Bond or Bonds (which may be an Exchange Bond or Series 2007 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 2007 Bond surrendered.

Section 3.2 Exchange of Series 2007 Bonds. If circumstances, not now contemplated, result in a modification of the expressed investment intent of the Purchaser and Series 2007 Bonds are later sold to other Bondholders, Series 2007 Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Series 2007 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 2007 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 2007 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 2007 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 2007 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 2007 Bonds as provided herein;
- (d) to cancel and/or destroy Series 2007 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish to the Issuer at least annually a certificate with respect to Series 2007 Bonds canceled and/or destroyed; and
- (f) to furnish to the Issuer at least annually an audit confirmation of Series 2007 Bonds paid, Series 2007 Bonds outstanding and payments made with respect to interest on the Series 2007 Bonds.

## ARTICLE IV

### COVENANTS AND UNDERTAKINGS

Section 4.1 Covenants of Issuer. All covenants, statements, representations and agreements contained in the Series 2007 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 2007 Bonds of the Mayor of the Issuer, 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 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 Assessment Bonds, Series 2007 (900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018), and shall be used for the purpose of paying the principal of and the interest on the Series 2007 Bonds 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 2007 Bonds, all in accordance with Section 103(c) of the Code.

Section 4.5 Guaranty Fund. There is hereby reaffirmed the creation of the Guaranty Fund (the "Guaranty Fund"), and the Issuer agrees with the holder of the Series 2007 Bonds that it will, until the payment of the Series 2007 Bonds in full and the payment of the interest thereon, 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, either through a levy of a tax of not to exceed .0002 in any one year or by the issuance of general obligation bonds or by appropriation from other available sources. The Guaranty Fund shall include an allocation of ten percent (10%) of the outstanding Series 2007 Bonds, but the entire available balance in the Guaranty Fund shall be for the purpose of guaranteeing to the extent of such fund the payment of assessment bonds and interest thereon issued against local improvement districts for the payment of local improvements therein, all in the manner and to the extent provided by the laws of the State of Utah. When the Guaranty Fund has a balance equal to ten percent (10%) of the outstanding Series 2007 Bonds plus an allocation as required by the assessment ordinance for each of the other City Special Improvement Districts with bonds outstanding, the funding requirement will be deemed to have been met and future funding or transfers will not be required unless the balance drops below the aggregate allocation level. 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 11-42-701 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 2007 Bonds so as to ensure that the Allocable Portion of such moneys shall not be invested at a yield in excess of the yield on the Series 2007 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 2007 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 2007 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 11-42-505 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 Sections 11-42-502 and 504 of the Act.

In lieu of the tax sale enforcement remedy, the Issuer may provide for the summary sale of any assessed property 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. The proceeds from the sale of any property sold will be placed in the Special Assessment Fund hereinabove referred to.

Section 4.10 Series 2007 Bonds in Registered Form. The Issuer recognizes that Section 149 of the Code requires the Series 2007 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 2007 Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Series 2007 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 2007 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 2007 Bonds that no use will be made of the proceeds of the issue and sale of the Series 2007 Bonds, or any funds or accounts of the Issuer which may be deemed to be Gross Proceeds of the Series 2007 Bonds, which use, if it had been reasonably expected on the date of issuance of the Series 2007 Bonds, would have caused the Series 2007 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 2007 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 2007 Bonds and ending 31 days following the delivery of the Series 2007 Bonds.

(b) The Issuer hereby covenants and agrees to determine the Allocable Portion of the Guaranty Fund allocable to the Series 2007 Bonds upon the occurrence of each of the following events:

- (i) upon the date of issuance of the Series 2007 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 Assessment Bonds is retired; and
- (iv) when new Assessment 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 2007 Bonds or in Tax-Exempt Obligations. For this purpose, proceeds of and yield on the Series 2007 Bonds shall be based upon the first price at which a substantial amount (not less than 10%) of the principal amount of the Series 2007 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 2007 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 2007 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, 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018 (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 2007 Bonds comprised of the total settlement amount of \$376,000 and make the required arbitrage rebate payments to the federal government from the earnings from said Gross Proceeds of the Series 2007 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 2007 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 2007 Bonds on all "Nonpurpose



Investments” (including gains on the disposition of such obligations) in which Gross Proceeds of the Series 2007 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 2007 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 2007 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 2007 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 2007 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 2007 Bonds.

(vi) The Treasurer will keep and retain or cause to be kept and retained, until the date three years after the retirement of the last Series 2007 Bond, adequate records with respect to the Series 2007 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 2007 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 2007 Bonds and on the date of the retirement of the last Series 2007 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 2007 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 2007 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 2007 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 2007 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 2007 Bonds in order to preserve the excludability of interest on the Series 2007 Bonds from gross income for federal income tax purposes.

Section 4.12 Nondesignation of Series 2007 Bonds. The Issuer has not designated the Series 2007 Bonds, and the Series 2007 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 2007 Bonds or in Tax-Exempt Obligations.

ARTICLE V

FORM OF SERIES 2007 BONDS

Section 5.1 Form of Series 2007 Bonds. Each fully registered Series 2007 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  
ASSESSMENT BOND, SERIES 2007  
(900 SOUTH, 900 EAST STREETSCAPE UPGRADE SPECIAL IMPROVEMENT  
DISTRICT NO. 106018)

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

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP:</u>
%	June 1,	August 28, 2007	

Registered Owner: ZIONS FIRST NATIONAL BANK

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 semiannually on December 1, 2007, and thereafter in each year on June 1 and December 1 until payment in full of said Principal Amount. Interest on this Series 2007 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 2007 Bonds, in which case interest shall accrue from the Original Issue Date identified above, or (b) this Series 2007 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 2007 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 2007 Bond shall be payable at the office of U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, 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 semi-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 2007 Bond is one of the Assessment Bonds, Series 2007 of the Issuer (the "Series 2007 Bonds") limited to the aggregate principal amount of \$376,000 issued under and by virtue of the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended, which amended and restated 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 14th day of August, 2007 (the "Bond Resolution"), for the purpose of (a) reimbursing the Issuer for costs advanced for reconstruction of roadway pavement, and the construction and installation of concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities, site furnishing, street lighting, traffic signals, landscaping and all other miscellaneous work necessary to complete the whole in a proper and workmanlike manner (the "Improvements"), and (b) paying issuance expenses incurred in connection with the issuance of the Series 2007 Bonds.

U.S. Bank National Association is the initial bond registrar and paying agent with respect to the Series 2007 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 2007 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 Assessment Bonds, Series 2007 for the Salt Lake City, Utah 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018 (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 5th day of June, 2007 (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 prior to the issuance hereof.

The Series 2007 Bonds are not subject to redemption prior to maturity.

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 2007 Bond and until payment thereof in full, said fund shall be at all times maintained as required by ordinance. This Series 2007 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 2007 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 2007 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 2007 Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Series 2007 Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Series 2007 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 2007 Bonds are issuable solely in the form of registered Series 2007 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 2007 Bond and the issue of Series 2007 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 2007 Bond exist, have happened and have been performed and that the issue of Series 2007 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 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 2007 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 2007 Bond to be signed in its name and on its behalf by its Mayor and attested by its City Recorder, Acting City Recorder, or Deputy City Recorder (the signatures of said Mayor, City Recorder, Acting 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 2007 Bonds.

(SEAL)

By: \_\_\_\_\_ (Do Not Sign)  
Mayor

ATTEST:

By: \_\_\_\_\_ (Do Not Sign)  
City Recorder (or Acting City Recorder or  
Deputy City Recorder)



CERTIFICATE OF AUTHENTICATION

This Series 2007 Bond is one of the Salt Lake City, Utah Assessment Bonds, Series 2007 (900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018) described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION,  
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 entirety  
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 2007 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 14th day of August, 2007.

(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 August, 2007.

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

MAYOR'S APPROVAL OR DISAPPROVAL

The foregoing resolution is hereby approved this \_\_\_\_ day of August, 2007.

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 14th day of August, 2007, 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 14th day of August, 2007.

(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 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the 14th day of August, 2007, public meeting held by the Issuer as follows:

(a) By causing a notice, in the form of a City Agenda attached hereto as Schedule 1, to be posted at the Issuer's offices at 451 South State Street, Salt Lake City, Utah, on the 10th day of August, 2007, 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 the notice, in the form of a City Agenda, attached hereto as Schedule 1, to be delivered to the Deseret News on the 10th day of August, 2007, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 14th day of August, 2007.

(SEAL)

By: \_\_\_\_\_  
Deputy City Recorder

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. \_\_)

\$376,000

SALT LAKE CITY, UTAH  
ASSESSMENT BONDS  
SERIES 2007  
(900 SOUTH, 900 EAST STREETSCAPE UPGRADE SPECIAL IMPROVEMENT  
DISTRICT NO. 106018)

Bond Purchase Agreement

August 14, 2007

Salt Lake City Corporation  
City & County Building  
451 South State Street  
Salt Lake City, Utah 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 \$376,000 Salt Lake City, Utah Assessment Bonds, Series 2007 (900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018) (the "Bonds") issued with respect to the Salt Lake City, Utah 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018 (the "District") of the Issuer, 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 Purchase Agreement, contains a brief description of the Bonds, the manner of their 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 August 14, 2007 (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, LLP, 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, the 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: \_\_\_\_\_

Its: \_\_\_\_\_

(SEAL)

ACCEPTED ON BEHALF OF:

SALT LAKE CITY, UTAH

By: \_\_\_\_\_

Mayor

ATTEST AND COUNTERSIGN:

By: \_\_\_\_\_

Deputy City Recorder

EXHIBIT A

DESCRIPTION OF BONDS

1. Issue Size: \$376,000
2. Purchase Price: \$376,000
3. Purchaser's Fee: \$0
4. Accrued Interest: \$0
5. Principal Payment Date: June 1
6. Interest Payment Dates: June 1 and December 1
7. Interest Rate: See below
8. Maturity Dates: (See schedule below.)
9. Dated Date: Initial delivery date of Bonds
10. Form: Registered Bonds
11. Closing Date: August 28, 2007, or other date acceptable to Issuer and Purchaser
12. Redemption: The Bonds are not subject to redemption prior to maturity.

<u>Maturity Date</u> <u>(June 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2008	\$34,000	3.77%
2009	31,000	3.84
2010	33,000	3.88
2011	34,000	3.91
2012	36,000	3.96
2013	38,000	4.01
2014	40,000	4.06
2015	41,000	4.11
2016	43,000	4.17
2017	46,000	4.22

Salt Lake City, Utah

August 14, 2007

A regular meeting of the City Council of Salt Lake City, Utah, was held on Tuesday, the 14th day of August, 2007, 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:

Van Blair Turner	Chair
Jill Remington-Love	Vice Chair
Nancy Saxton	Councilmember
Søren Dahl Simonsen	Councilmember
K. Eric Jergensen	Councilmember
Carlton Christensen	Councilmember
David L. Buhler	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 14th day of August, 2007, 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 2007

A RESOLUTION AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE SALE OF THE \$129,000 SALT LAKE CITY, UTAH ASSESSMENT BONDS, SERIES 2007 (STRONGS COURT (#102109) AND FENWAY AVENUE (#102129) RECONSTRUCTION SPECIAL IMPROVEMENT DISTRICT) (THE "SERIES 2007 BONDS") PROVIDING FOR PRICING AND TERMS OF THE SERIES 2007 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 the "Salt Lake City, Utah Strongs Court (#102109) and Fenway Avenue (#102129) Reconstruction Special Improvement District" (the "District"), and adopted and approved an assessment ordinance of the Issuer (the "Assessment Ordinance") confirming the assessment list for the District on the 5th day of June, 2007; and

WHEREAS, the Assessment Ordinance 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 to all the owners of property assessed in the District; and

WHEREAS, the total cost of the improvements constructed within the District was \$428,097.00, of which the Issuer's portion was \$235,405.95, that during the cash payment period following the effective date of the Assessment Ordinance, property owners in the District have prepaid \$63,234.99 of their assessments, leaving an amount to be paid through the issuance of bonds or from funds provided by the Issuer of \$129,000 (rounded down to the nearest \$1,000); and

WHEREAS, the Council now desires to authorize the issuance and sale of the Series 2007 Bonds in the total principal amount of \$129,000 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 2007 Bonds 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 2007 Bonds and to award the sale of the Series 2007 Bonds to the Purchaser:



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 Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended, which amended and restated the Municipal Special 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 2007 Bonds according to (i) the proportion that the original face amount of the Series 2007 Bonds bears to the aggregate of the original face amounts of the Series 2007 Bonds and all other outstanding Assessment 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 2007 Bonds from gross income for federal income tax purposes.

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

“Assessment Ordinance” means the assessment ordinance adopted by the Issuer on the 5th day of June, 2007, which assessed the properties benefited by the Improvements within the District.

“Bondholder” or “Holder” means the registered owner of any Series 2007 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 14th day of August, 2007, by and between the Issuer and the Purchaser in the form attached hereto as Exhibit B, pursuant to which the Series 2007 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 2007 Bonds. Pursuant to Sections 2.5 and 3.5 hereof, the initial Bond Registrar for the Series 2007 Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101.

“Bond Resolution” means this Resolution of the Issuer authorizing the issuance and sale of the Series 2007 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 Strongs Court (#102109) and Fenway Avenue (#102129) Reconstruction 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 2007 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 Assessment Bonds issued by the Issuer pursuant to the Act, except those Assessment Bonds that are secured by a separate reserve fund and not by the Guaranty Fund.

“Improvements” means the reconstruction of roadways, including concrete pavement, gutters, sidewalks, water facilities, driveway approaches, street lighting, and related improvements and all other miscellaneous work necessary to complete the whole in a proper and workmanlike manner.

“Issuer” means Salt Lake City, Utah.

“Paying Agent” means each Person appointed by the Issuer as paying agent with respect to the Series 2007 Bonds. Pursuant to Sections 2.5 and 3.5 hereof the initial Paying Agent for the Series 2007 Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101.

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

“Purchaser” means Zions First National Bank, One South Main Street, 18th Floor, Salt Lake City, Utah 84111-1027.

“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.

“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, Acting City Recorder, or any Deputy City Recorder of the Issuer.

“Series 2007 Bonds” means the Salt Lake City, Utah Assessment Bonds, Series 2007 (Strong’s Court (#102109) and Fenway Avenue (#102129) Reconstruction 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 2007 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 2007 Bonds.

“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 2007 Bonds equal to the sum of (i) 10% of the proceeds of the Series 2007 Bonds, plus (ii) the lesser of (A) 5% of the proceeds of the Series 2007 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 2007 BONDS

Section 2.1 Authorization of Series 2007 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 Assessment Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of \$129,000 (the "Series 2007 Bonds"). The Series 2007 Bonds shall be designated "Salt Lake City, Utah Assessment Bonds, Series 2007 (Strongs Court (#102109) and Fenway Avenue (#102129) Reconstruction Special Improvement District)." The Series 2007 Bonds shall be issued in fully registered form only, without coupons.

Section 2.2 Purpose. The Series 2007 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 2007 Bonds.

Section 2.3 Bond Details. The Series 2007 Bonds will be dated as of their date of delivery, and will mature on June 1 in the following years and amounts and will bear interest at the following rate or rates:

<u>Maturity Date</u> <u>(June 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2008	\$12,000	3.77%
2009	11,000	3.84
2010	11,000	3.88
2011	12,000	3.91
2012	12,000	3.96
2013	13,000	4.01
2014	13,000	4.06
2015	14,000	4.11
2016	15,000	4.17
2017	16,000	4.22

The Series 2007 Bonds shall bear interest payable semi-annually beginning on December 1, 2007, and continuing thereafter on each June 1 and December 1 of each year by wire transfer of funds, or by check or draft mailed to the registered owners of record of the Series 2007 Bonds. Because the Purchaser intends to hold the Series 2007 Bonds for investment purposes, it is anticipated the Purchaser will be the only Bondholder as long as any of the Series 2007 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 2007 Bonds.

Each Series 2007 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 2007 Bonds, in which case interest shall accrue from their initial delivery date, or (b) any Series 2007 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 2007 Bond, interest is in default, such Series 2007 Bond shall accrue interest from the date to which interest has been paid. The Series 2007 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 2007 Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$1,000, or any whole multiple thereof. The Series 2007 Bonds shall be numbered with the letter prefix "R" and shall be numbered from one (1) consecutively upwards in order of issuance. Because the Series 2007 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 2007 Bonds.

Section 2.5 Paying Agent and Bond Registrar. The Issuer may at any time 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 2007 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 2007 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 2007 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 2007 Bonds also may be made under the direction of the Paying Agent by wire transfer or by inter-fund transfer.

Section 2.6 No Prior Redemption. The Series 2007 Bonds are not subject to redemption prior to maturity.

Section 2.7 Sale of the Series 2007 Bonds. Approval is hereby granted for the sale and delivery of the Series 2007 Bonds to the Purchaser at a purchase price of \$129,000 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 2007 Bonds. The Series 2007 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 2007 Bonds are hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, attestation, and sealing of the Series 2007 Bonds by said officials. The Series 2007 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 2007 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 2007 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 2007 Bond shall be deemed to have been executed by it if (a) such Series 2007 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 2007 Bonds issued hereunder or that all of the Series 2007 Bonds hereunder be certified as registered by the same Bond Registrar, and (b) the date of authentication of the Series 2007 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 2007 Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Series 2007 Bonds pursuant to Article III 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 2007 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 2007 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 2007 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 2007 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 2007 Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Series 2007 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 2007 Bonds. The Series 2007 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 2007 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 2007 Bonds.

## ARTICLE III

### TRANSFER AND EXCHANGE OF SERIES 2007 BONDS; BOND REGISTRAR

#### Section 3.1 Transfer of Series 2007 Bonds.

(a) Any Series 2007 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 2007 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 2007 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 2007 Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Series 2007 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 2007 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 2007 Bond selected for redemption in whole or in part, except the unredeemed portion of Series 2007 Bonds being redeemed in part. Upon surrender of any Series 2007 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 2007 Bond or Bonds (which may be an Exchange Bond or Series 2007 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 2007 Bond surrendered.

Section 3.2 Exchange of Series 2007 Bonds. If circumstances, not now contemplated, result in a modification of the expressed investment intent of the Purchaser and Series 2007 Bonds are later sold to other Bondholders, Series 2007 Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Series 2007 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 2007 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 2007 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 2007 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 2007 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 2007 Bonds as provided herein;
- (d) to cancel and/or destroy Series 2007 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish to the Issuer at least annually a certificate with respect to Series 2007 Bonds canceled and/or destroyed; and
- (f) to furnish to the Issuer at least annually an audit confirmation of Series 2007 Bonds paid, Series 2007 Bonds outstanding and payments made with respect to interest on the Series 2007 Bonds.

## ARTICLE IV

### COVENANTS AND UNDERTAKINGS

Section 4.1 Covenants of Issuer. All covenants, statements, representations and agreements contained in the Series 2007 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 2007 Bonds of the Mayor of the Issuer, 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 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 Assessment Bonds, Series 2007 (Strong's Court (#102109) and Fenway Avenue (#102129) Reconstruction Special Improvement District), and shall be used for the purpose of paying the principal of and the interest on the Series 2007 Bonds 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 2007 Bonds, all in accordance with Section 103(c) of the Code.

Section 4.5 Guaranty Fund. There is hereby reaffirmed the creation of the Guaranty Fund (the "Guaranty Fund"), and the Issuer agrees with the holder of the Series 2007 Bonds that it will, until the payment of the Series 2007 Bonds in full and the payment of the interest thereon, 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, either through a levy of a tax of not to exceed .0002 in any one year or by the issuance of general obligation bonds or by appropriation from other available sources. The Guaranty Fund shall include an allocation of ten percent (10%) of the outstanding Series 2007 Bonds, but the entire available balance in the Guaranty Fund shall be for the purpose of guaranteeing to the extent of such fund the payment of assessment bonds and interest thereon issued against local improvement districts for the payment of local improvements therein, all in the manner and to the extent provided by the laws of the State of Utah. When the Guaranty Fund has a balance equal to ten percent (10%) of the outstanding Series 2007 Bonds plus an allocation as required by the assessment ordinance for each of the other City Special Improvement Districts with bonds outstanding, the funding requirement will be deemed to have been met and future funding or transfers will not be required unless the balance drops below the aggregate allocation level. 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 11-42-701 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 2007 Bonds so as to ensure that the Allocable Portion of such moneys shall not be invested at a yield in excess of the yield on the Series 2007 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 2007 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 2007 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 11-42-505 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 Sections 11-42-502 and 504 of the Act.

In lieu of the tax sale enforcement remedy, the Issuer may provide for the summary sale of any assessed property 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. The proceeds from the sale of any property sold will be placed in the Special Assessment Fund hereinabove referred to.

Section 4.10 Series 2007 Bonds in Registered Form. The Issuer recognizes that Section 149 of the Code requires the Series 2007 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 2007 Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Series 2007 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 2007 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 2007 Bonds that no use will be made of the proceeds of the issue and sale of the Series 2007 Bonds, or any funds or accounts of the Issuer which may be deemed to be Gross Proceeds of the Series 2007 Bonds, which use, if it had been reasonably expected on the date of issuance of the Series 2007 Bonds, would have caused the Series 2007 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 2007 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 2007 Bonds and ending 31 days following the delivery of the Series 2007 Bonds.

(b) The Issuer hereby covenants and agrees to determine the Allocable Portion of the Guaranty Fund allocable to the Series 2007 Bonds upon the occurrence of each of the following events:

- (i) upon the date of issuance of the Series 2007 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 Assessment Bonds is retired; and
- (iv) when new Assessment 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 2007 Bonds or in Tax-Exempt Obligations. For this purpose, proceeds of and yield on the Series 2007 Bonds shall be based upon the first price at which a substantial amount (not less than 10%) of the principal amount of the Series 2007 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 2007 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 2007 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, Strongs Court (#102109) and Fenway Avenue (#102129) Reconstruction 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 2007 Bonds comprised of the total settlement amount of \$129,000 and make the required arbitrage rebate payments to the federal government from the earnings from said Gross Proceeds of the Series 2007 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 2007 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 2007 Bonds on all “Nonpurpose

Investments” (including gains on the disposition of such obligations) in which Gross Proceeds of the Series 2007 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 2007 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 2007 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 2007 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 2007 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 2007 Bonds.

(vi) The Treasurer will keep and retain or cause to be kept and retained, until the date three years after the retirement of the last Series 2007 Bond, adequate records with respect to the Series 2007 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 2007 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 2007 Bonds and on the date of the retirement of the last Series 2007 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 2007 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 2007 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 2007 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 2007 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 2007 Bonds in order to preserve the excludability of interest on the Series 2007 Bonds from gross income for federal income tax purposes.

Section 4.12 Nondesignation of Series 2007 Bonds. The Issuer has not designated the Series 2007 Bonds, and the Series 2007 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 2007 Bonds or in Tax-Exempt Obligations.



ARTICLE V

FORM OF SERIES 2007 BONDS

Section 5.1 Form of Series 2007 Bonds. Each fully registered Series 2007 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  
ASSESSMENT BOND, SERIES 2007  
(STRONGS COURT (#102109) AND FENWAY AVENUE (#102129)  
RECONSTRUCTION SPECIAL IMPROVEMENT DISTRICT)

Number R-

\$

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP:</u>
%	June 1,	August 28, 2007	

Registered Owner: ZIONS FIRST NATIONAL BANK

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 semiannually on December 1, 2007, and thereafter in each year on June 1 and December 1 until payment in full of said Principal Amount. Interest on this Series 2007 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 2007 Bonds, in which case interest shall accrue from the Original Issue Date identified above, or (b) this Series 2007 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 2007 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 2007 Bond shall be payable at the office of U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, 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 semi-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 2007 Bond is one of the Assessment Bonds, Series 2007 of the Issuer (the "Series 2007 Bonds") limited to the aggregate principal amount of \$129,000 issued under and by virtue of the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended, which amended and restated 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 14th day of August, 2007 (the "Bond Resolution"), for the purpose of (a) reimbursing the Issuer for costs advanced for reconstruction of roadways, including concrete pavement, gutters, sidewalks, water facilities, driveway approaches, street lighting, and related improvements and all other miscellaneous work necessary to complete the whole in a proper and workmanlike manner (the "Improvements"), and (b) paying issuance expenses incurred in connection with the issuance of the Series 2007 Bonds.

U.S. Bank National Association is the initial bond registrar and paying agent with respect to the Series 2007 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 2007 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 Assessment Bonds, Series 2007 for the Salt Lake City, Utah Strongs Court (#102109) and Fenway Avenue (#102129) Reconstruction 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 5th day of June, 2007 (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 prior to the issuance hereof.

The Series 2007 Bonds are not subject to redemption prior to maturity.

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 2007 Bond and until payment thereof in full, said fund shall be at all times maintained as required by ordinance. This Series 2007 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 2007 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 2007 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 2007 Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Series 2007 Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Series 2007 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 2007 Bonds are issuable solely in the form of registered Series 2007 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 2007 Bond and the issue of Series 2007 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 2007 Bond exist, have happened and have been performed and that the issue of Series 2007 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 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 2007 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 2007 Bond to be signed in its name and on its behalf by its Mayor and attested by its City Recorder, Acting City Recorder, or Deputy City Recorder (the signatures of said Mayor, City Recorder, Acting 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 2007 Bonds.

(SEAL)

By: \_\_\_\_\_ (Do Not Sign)  
Mayor

ATTEST:

By: \_\_\_\_\_ (Do Not Sign)  
City Recorder (or Acting City Recorder, or  
Deputy City Recorder)

CERTIFICATE OF AUTHENTICATION

This Series 2007 Bond is one of the Salt Lake City, Utah Assessment Bonds, Series 2007 (Strongs Court (#102109) and Fenway Avenue (#102129) Reconstruction Special Improvement District) described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION,  
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 2007 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 14th day of August, 2007.

(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 August, 2007.

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

MAYOR'S APPROVAL OR DISAPPROVAL

The foregoing resolution is hereby approved this \_\_\_\_ day of August, 2007.

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 14th day of August, 2007, 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 14th day of August, 2007.

(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 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the 14th day of August, 2007, public meeting held by the Issuer as follows:

(a) By causing a notice, in the form of a City Agenda attached hereto as Schedule 1, to be posted at the Issuer's offices at 451 South State Street, Salt Lake City, Utah, on the 10th day of August, 2007, 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 the notice, in the form of a City Agenda, attached hereto as Schedule 1, to be delivered to the Deseret News on the 10th day of August, 2007, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 14th day of August, 2007.

(SEAL)

By: \_\_\_\_\_  
Deputy City Recorder

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. \_\_)



\$129,000

SALT LAKE CITY, UTAH  
ASSESSMENT BONDS  
SERIES 2007  
(STRONGS COURT (#102109) AND FENWAY AVENUE (#102129)  
RECONSTRUCTION SPECIAL IMPROVEMENT DISTRICT)

Bond Purchase Agreement

August 14, 2007

Salt Lake City Corporation  
City & County Building  
451 South State Street  
Salt Lake City, Utah 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 \$129,000 Salt Lake City, Utah Assessment Bonds, Series 2007 (Strong's Court (#102109) and Fenway Avenue (#102129) Reconstruction Special Improvement District) (the "Bonds") issued with respect to the Salt Lake City, Utah Strong's Court (#102109) and Fenway Avenue (#102129) Reconstruction Special Improvement District (the "District") of the Issuer, 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 Purchase Agreement, contains a brief description of the Bonds, the manner of their 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 August 14, 2007 (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, LLP, 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, the 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: \_\_\_\_\_

Its: \_\_\_\_\_

(SEAL)

ACCEPTED ON BEHALF OF:

SALT LAKE CITY, UTAH

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

ATTEST AND COUNTERSIGN:

By: \_\_\_\_\_  
Deputy City Recorder

EXHIBIT A

DESCRIPTION OF BONDS

1. Issue Size: \$129,000
2. Purchase Price: \$129,000
3. Purchaser's Fee: \$0
4. Accrued Interest: \$0
5. Principal Payment Date: June 1
6. Interest Payment Dates: June 1 and December 1
7. Interest Rate: See below
8. Maturity Dates: (See schedule below.)
9. Dated Date: Initial delivery date of Bonds
10. Form: Registered Bonds
11. Closing Date: August 28, 2007, or other date acceptable to Issuer and Purchaser
12. Redemption: The Bonds are not subject to redemption prior to maturity.

<u>Maturity Date</u> <u>(June 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2008	\$12,000	3.77%
2009	11,000	3.84
2010	11,000	3.88
2011	12,000	3.91
2012	12,000	3.96
2013	13,000	4.01
2014	13,000	4.06
2015	14,000	4.11
2016	15,000	4.17
2017	16,000	4.22

# \$376,000 Salt Lake City, Utah

Special Assessment Bonds

Special Improvement District #C-106018

(900 South, 900 East Streetscape Upgrade), Series 2007A (Zions Non-callable)

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+
08/28/2007	-	-	-	-
12/01/2007	-	-	3,894.32	3,894.32
06/01/2008	34,000.00	3.770%	7,537.40	41,537.40
12/01/2008	-	-	6,896.50	6,896.50
06/01/2009	31,000.00	3.840%	6,896.50	37,896.50
12/01/2009	-	-	6,301.30	6,301.30
06/01/2010	33,000.00	3.880%	6,301.30	39,301.30
12/01/2010	-	-	5,661.10	5,661.10
06/01/2011	34,000.00	3.910%	5,661.10	39,661.10
12/01/2011	-	-	4,996.40	4,996.40
06/01/2012	36,000.00	3.960%	4,996.40	40,996.40
12/01/2012	-	-	4,283.60	4,283.60
06/01/2013	38,000.00	4.010%	4,283.60	42,283.60
12/01/2013	-	-	3,521.70	3,521.70
06/01/2014	40,000.00	4.060%	3,521.70	43,521.70
12/01/2014	-	-	2,709.70	2,709.70
06/01/2015	41,000.00	4.110%	2,709.70	43,709.70
12/01/2015	-	-	1,867.15	1,867.15
06/01/2016	43,000.00	4.170%	1,867.15	44,867.15
12/01/2016	-	-	970.60	970.60
06/01/2017	46,000.00	4.220%	970.60	46,970.60
<b>Total</b>	<b>\$376,000.00</b>	<b>-</b>	<b>\$85,847.82</b>	<b>\$461,847.82</b>

### Yield Statistics

Bond Year Dollars	\$2,103.13
Average Life	5.593 Years
Average Coupon	4.0819010%

Net Interest Cost (NIC)	4.1532231%
True Interest Cost (TIC)	4.1604769%
Bond Yield for Arbitrage Purposes	4.0775983%
All Inclusive Cost (AIC)	4.1604769%

### IRS Form 8038

Net Interest Cost	4.0819010%
Weighted Average Maturity	5.593 Years

FOR DISCUSSION PURPOSES ONLY

File | SID 2007.SF | SID C-106018 9th & 9th Zi | 7/31/2007 | 4:26 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

# \$129,000 Salt Lake City, Utah

Special Assessment Bonds

Reconstruction Special Improvement District (Zions Non-Callable)

#C-102109 (Stongs Court) and #C-102129 (Fenway Avenue), Series 2007B

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
08/28/2007	-	-	-	-
12/01/2007	-	-	1,335.89	1,335.89
06/01/2008	12,000.00	3.770%	2,585.60	14,585.60
12/01/2008	-	-	2,359.40	2,359.40
06/01/2009	11,000.00	3.840%	2,359.40	13,359.40
12/01/2009	-	-	2,148.20	2,148.20
06/01/2010	11,000.00	3.880%	2,148.20	13,148.20
12/01/2010	-	-	1,934.80	1,934.80
06/01/2011	12,000.00	3.910%	1,934.80	13,934.80
12/01/2011	-	-	1,700.20	1,700.20
06/01/2012	12,000.00	3.960%	1,700.20	13,700.20
12/01/2012	-	-	1,462.60	1,462.60
06/01/2013	13,000.00	4.010%	1,462.60	14,462.60
12/01/2013	-	-	1,201.95	1,201.95
06/01/2014	13,000.00	4.060%	1,201.95	14,201.95
12/01/2014	-	-	938.05	938.05
06/01/2015	14,000.00	4.110%	938.05	14,938.05
12/01/2015	-	-	650.35	650.35
06/01/2016	15,000.00	4.170%	650.35	15,650.35
12/01/2016	-	-	337.60	337.60
06/01/2017	16,000.00	4.220%	337.60	16,337.60
<b>Total</b>	<b>\$129,000.00</b>	<b>-</b>	<b>\$29,387.79</b>	<b>\$158,387.79</b>

### Yield Statistics

Bond Year Dollars	\$719.83
Average Life	5.580 Years
Average Coupon	4.0826298%
Net Interest Cost (NIC)	4.2215525%
True Interest Cost (TIC)	4.2401813%
Bond Yield for Arbitrage Purposes	4.0782639%
All Inclusive Cost (AIC)	4.2401813%

### IRS Form 8038

Net Interest Cost	4.0826298%
Weighted Average Maturity	5.580 Years

FOR DISCUSSION PURPOSES ONLY

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Wells Fargo Brokerage Services, LLC  
Public Finance

# \$376,000 Salt Lake City, Utah

Special Assessment Bonds

Special Improvement District #C-106018

(900 South, 900 East Streetscape Upgrade), Series 2007A

## TIC BID RANKINGS

	BID	TIC	NIC	PAR	Premium	Total Interest
SID C-106018 9th & 9th Zions Non-callable	4.1604769%	4.1532231%	376,000.00	-	87,347.82	
SID C-106018 9th & 9th GKB	4.4109530%	4.3787809%	376,000.00	-	92,091.60	
SID C-106018 9th & 9th Zions Callable	4.6919742%	4.6824364%	376,000.00	-	98,477.88	
SID C-106018 9th & 9th Aquila	5.1091007%	5.0893906%	376,000.00	-	107,036.67	
SID C-106018 9th & 9th Chase	5.1217152%	5.1200002%	376,000.00	-	107,680.43	

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Wells Fargo Brokerage Services, LLC

Public Finance

# \$129,000 Salt Lake City, Utah

Special Assessment Bonds

Reconstruction Special Improvement District

#C-102109 (Strongs Court) and #C-102129 (Fenway Avenue), Series 2007B

## TIC BID RANKINGS

	BID	TIC	NIC	PAR	Premium	Total Interest
SID C-102109 & C102129 Zions Non-callable	4.2401813%	4.2215525%	129,000.00	-	30,387.79	
SID C-102109 & C102129 GKB	4.4115167%	4.3792102%	129,000.00	-	31,522.65	
SID C-102109 & C102129 Zions Callable	4.7728571%	4.7504352%	129,000.00	-	34,194.82	
SID C-102109 & C102129 Aquila	5.1093947%	5.0896051%	129,000.00	-	36,636.25	
SID C-102109 & C102129 Chase	6.8313691%	6.7792102%	129,000.00	-	48,798.45	

FOR DISCUSSION PURPOSES ONLY

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Wells Fargo Brokerage Services, LLC

Public Finance