

# SALT LAKE CITY COUNCIL STAFF REPORT

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**DATE:** November 24, 2009

**TO:** City Council Members

**FROM:** Jan Aramaki

**SUBJECT:** California Avenue Reconstruction  
Special Assessment Area (SAA) No. 103006  
Resolution authorizing the issuance and providing for  
the sale of \$1,263,000 Special Assessment Bonds, Series 2009B

2007/08 FY Sidewalk Replacement Special  
Assessment Area (SAA) Job No. 102145 and  
Lyman Court SAA Job No. 102146  
Resolution authorizing the issuance and providing for  
the sale of \$396,000 Special Assessment Bonds, Series 2009C

**COUNCIL DISTRICTS:** California Avenue SAA #103006 -- District 2  
2007/08 Fiscal Year Sidewalk Replacement Area No. 102145 -  
Zone I - Districts 5 and 6  
Lyman Court SAA Job. No. 102146 - Zone II - District 5

**ADMINISTRATIVE DEPT. AND CONTACT PERSON:** Daniel A. Mulé, City Treasurer

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## POTENTIAL MOTION:

If the Council desires to adopt the bond resolutions, the following motion would be appropriate:

**["I move that the Council"] Adopt a resolution authorizing the issuance and providing for the sale of the \$1,263,000 Salt Lake City, Utah Special Assessment Bonds, Series 2009B for Special Assessment Area #C-103006, California Avenue providing for pricing and terms of the Series 2009B Bonds, prescribing the form and denomination of said bonds, providing for the continuance of a guaranty fund; authorizing and approving a bond purchase agreement; and,**

**Adopt a resolution authorizing the issuance and providing for the sale of the \$396,000 Salt Lake City, Utah Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145, Sidewalk Replacement and #C-102146, Lyman Court) providing for pricing and terms of the Series 2009C Bonds, prescribing the form 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 \$1,263,000 of special assessment bonds, Series 2009B for **California Avenue Reconstruction Special Assessment Area (SAA) No. 103006**. On July 23, 2009, property owners were assessed \$1,263,000; however, during the prepayment period, no monies were received by the City from the property owners. Therefore the total assessment of \$1,263,000 will be paid over a period of 10 years from the effective date of the assessment ordinance in ten substantially equal annual principal and interest installments beginning February 1, 2010. Interest on the bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2010. Principal on the bonds is payable annually on each September 1 commencing September 1, 2010 with a final maturity of September 1, 2019.

Authorizing the issuance and confirming the sale of \$396,000 of special assessment bonds, Series 2009C for **2007/08 FY Sidewalk Replacement Special Assessment Area (SAA) Job No. 102145 and Lyman Court SAA Job No. 102146**. On July 23, 2009, the property owners were assessed \$767,744.10.

According to the Administration, property owners had the option to pay assessments for the Assessment Area without interest provided they were paid within twenty-five days of the effective date of the ordinance. Any part of the assessment not paid within the twenty-five day period can be paid over a period of five years for 2007/08 Fiscal Year Sidewalk Replacement Area No. 102145 - Zone I from the effective date of the assessment ordinance in five substantially equal annual principal and interest installments beginning February 1, 2010; and over a period of ten years for Lyman Court SAA Job No. 102146 - Zone II from the effective date of the assessment ordinance in ten substantially equal annual principal and interest installments beginning February 1, 2010. During the pre-payment period, \$371,294.85 of the \$767,744.10 assessment was remitted by property owners resulting in a balance of \$396,449.25. 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 \$396,000 (rounded down to the nearest \$1,000).

The total assessment of the \$396,000 bonded amount is broken down between Job Nos. 102145 and 102146 as follows:

\$58,000 will be bonded over a 5 year period for #102145; and  
\$338,000 will be bonded over a 10 year period for #102146

Interest on the bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2010. Principal on the bonds is payable annually on each September 1 commencing September 1, 2010. Final maturity for C-102145 (Sidewalk Replacement) is September 1, 2014, and final maturity for C-102146 (Lyman Court) is September 1, 2019.

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

- (a) financing the construction and installation of improvements; and
- (b) paying issuance costs incurred in connection with the sale of these series bonds.”

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.

A request for bids for the purchase of these bonds as a private placement was issued and the award was made to JP Morgan Chase Bank, N.A. as the firm offering the lowest interest rate bid. Because the dollar amount to be bonded is minimal and costs of issuance of private placements is less expensive, 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. JP Morgan Chase Bank, N.A., has been awarded the purchase of the bonds at a net interest cost to the City of 3.93% per annum – annual interest rate that will be charged to property owners for SAA Job Nos. 103006, 102145, and 102146. A copy of the debt service schedules are attached to the Administration’s cover transmittal.

Information below was previously provided to the City Council and is being provided again for Council’s reference.

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## **KEY DATES:**

### **CALIFORNIA AVENUE RECONSTRUCTION SPECIAL ASSESSMENT AREA JOB NO. 103006:**

January 8, 2008 Council adopted a resolution declaring the Notice of Intention and set the protest hearing date of March 4, 2008 at 7 p.m.

February 26, 2008: An informal public meeting was scheduled for the Administration to review the proposed SAA with interested abutting property owners. The meeting was held at 349 South 200 East from 2:00 to 4:00 p.m.

March 4, 2008 Deadline for written protests against the proposed improvements, assessments or against the creation of the SAA were to be filed in the Office of the City Recorder on or before 5:00 p.m. on Tuesday, March 4, 2008, followed by a Council protest hearing on March 4th at 7:00 p.m.

April 1, 2008 Council adopted resolutions to create the Assessment Area and to accept bids and authorize execution of a contract to the best bidder for construction work.

March 24, 2009: Council adopted a resolution to appoint a Board of Equalization and review and set the dates of the Board of Equalization to hear and consider objections and corrections to any proposed assessments.

April 28, 29 and 30, 2009: Board of Equalization hearings took place, opportunity for property owners to raise issues or concerns regarding SAA proposed assessments.

July 14, 2009: Council adopted an ordinance confirming the modified and equalized assessment lists and levying an assessment against certain properties in the "Salt Lake City, Utah California Avenue, 4800 W to 5600 W.

## **2007/08 FY SIDEWALK REPLACEMENT SPECIAL ASSESSMENT AREA JOB NO. 102145 AND LYMAN COURT SAA JOB NO. 102146**

February 12, 2008: Council adopted a resolution declaring the Notice of Intention and set the protest hearing date of April 1, 2008 at 7 p.m.

March 25 & 26, 2008: Informal public meetings were scheduled for the Administration to review the proposed SAA with interested abutting property owners. The meeting was held at the Forest Dale Golf Course, 2375 South 900 East from 4:00 to 6:00 p.m.

April 1, 2008: Deadline for written protests against the proposed improvements, assessments or against the creation of the SAA were to be filed in the Office of the City Recorder on or before 5:00 p.m. on Tuesday, April 1, 2008, followed by a Council protest hearing on April 1<sup>st</sup> at 7:00 p.m.

May 6, 2008: Council adopted resolutions to create the Assessment Area and to accept bids and authorize execution of a contract to the best bidder for construction work.

March 24, 2009: Council adopted a resolution to appoint a Board of Equalization and review and set the dates of the Board of Equalization to hear and consider objections and corrections to any proposed assessments.

April 28, 29, and 30, 2009: Board of Equalization hearings took place, opportunity for property owners to raise issues or concerns regarding SAA proposed assessments.

July 14, 2009: Council adopted an ordinance confirming the modified and equalized assessment lists and levying an assessment against certain properties in the "Salt Lake City, Utah Sidewalk Replacement #102145 and Lyman Court #102146.

## **KEY ELEMENTS AT THE TIME OF NOTICE OF INTENTION**

### **CALIFORNIA AVENUE RECONSTRUCTION SPECIAL ASSESSMENT JOB NO. 103006**

As the first step in creating the process to establish the Special Assessment Area (SAA), the Administration requested that the Council adopt a resolution declaring the Notice of Intention and set the protest hearing date for March 4, 2008. SAA boundary includes five commercial properties abutting on the south side of California Avenue between 4800 West to 5600 West streets and the Lee Drain drainage easement running along California Avenue within the Area.

The Administration's paperwork stated that the proposed improvements consist of improvements for California Avenue to include "concrete pavement, curb and gutter, sidewalk, storm drainage, and street lighting" resulting in one eastbound lane and two westbound lanes. According to the Administration, the property owner on the north side of California Avenue is not participating in the SAA. However, when the property is developed, the property owner



will be required to add the additional westbound lane, curb and sidewalk which are in keeping with City policy to require property owners to install the public way improvements adjacent to their property.

Also in keeping with City policy, areas of the proposed SAA that currently lack sidewalks, curb and gutter will be assessed a cost of 100 percent of the actual costs. The Administration reports there are a few areas of sidewalk requiring ADA ramps. The costs for the ADA ramps will be absorbed by the City.

Following Council's approval of the attached resolution, a letter was sent to property owners within the boundary areas of the proposed SAA. Property owners were notified that the City is considering a proposed SAA for reconstruction of California Avenue between 4800 West and 5600 West streets.

It was projected that the project would begin in May 2008 with an estimated completion date of November 2008. The Administration informed Council staff that the commercial properties along the south side of California Avenue do not access their properties from California Avenue, but rather have access from either 4800 West or 5500 West streets. Two of the five properties are developed. Construction will be planned accordingly to minimize disruption to businesses.

**2007/08 FY SIDEWALK REPLACEMENT SPECIAL ASSESSMENT AREA (SAA) JOB NO. 102145 and LYMAN COURT SAA JOB NO. 102146**

Each year, a concrete replacement project is identified for funding. As the first step in creating the process to establish the Special Assessment Area (SAA), the Administration requested that the Council adopt a resolution declaring the Notice of Intention that includes two different areas and set the protest hearing date of April 1, 2008:

**a. 2007/08 Fiscal Year Sidewalk Replacement Area No. 102145 - Zone I (Council Districts 5 and 6):**

Improvements entail removal and reconstruction of deteriorated concrete sidewalks. In addition, at property owners' option, improvements include driveway approaches or curb and gutter replacement in conjunction with the proposed SAA improvement. The property owners are responsible for half of the optional replacement costs; however, commercial properties pay the full cost of the improvements.

Sidewalk access ramps on street corners are completed in conjunction with the project but paid in full by City funds. SAA boundaries include:

- o Properties south side of 1300 South from 1100 East to 1500 East
- o Properties north side of 1700 South from 1100 East to 1500 East
- o Properties east of 1100 East, but excluding all properties that abut directly on 1100 East since sidewalk replacement was completed in 2007.
- o Properties west of 1500 East from 1300 South to 1700 South

Note: properties located within these boundaries that abut along 1300 East between 1300 South and 1700 South are also excluded because concrete replacement was completed in 2005. For a list of neighborhood streets located within these boundaries,

please refer to page 4 of the Resolution paperwork. A map on page 4 of the Administration's transmittal illustrates the properties involved in this SAA. There are a total of 984 properties within these boundaries; however, only 739 properties have been identified to receive improvements -- nine of which are commercial properties.

The Engineering Division identified all properties within the boundaries of the proposed SAA that are in need of concrete replacement that will eliminate hazardous situations in the public way. Zone I was scheduled to start in the spring of 2008 with a projected completion date in the fall of 2008.

Following Council's approval of the attached resolution, a letter and a copy of the Notice of Intention was sent to property owners living within the boundary areas of the proposed SAA. Property owners were then notified that the City was considering a proposed SAA that includes their properties. The property owners were informed that the cost to replace defective concrete will be shared 50/50 by the City and the property owner; however, nine commercial properties will pay the full cost of the replacement.

In conjunction with the concrete replacement, property owners were also informed that new sidewalk access ramps for ADA accessibility would be installed at all street corners.

Property owners were made aware that the City would use a horizontal saw cutting contractor to remove the vertical displacements of up to one inch in sidewalk sections at no cost to the property owner. Saw cutting reduces property owner costs and eliminates hazardous situations. Saw cutting of the vertically displaced section could either take place before or after the work of replacing the designated sidewalk sections is completed. For areas identified for saw cutting, property owners were given the option to express preference to have sidewalk areas replaced rather than saw cut; however sidewalk replacement in these incidences requires property owners to pay the cost of the sidewalk removal and replacement at the SAA sidewalk replacement cost. Areas identified by the City exceeding the one inch of sidewalk vertical displacement that do not warrant horizontal saw cutting or that are badly broken and deteriorated will be replaced as part of the SAA.

To ensure that the assessments are equitable to the property owners involved in the Assessment Area, an exception was given to corner lot properties. The sidewalk replacement costs associated with the first 75 feet along a non-address side of a property is excluded from the property owner's assessment cost.

Property owners must remove at their expense prior to commencement of the improvements, all nonconforming improvements such as: "lawns, shrubs, hedges, sprinkling systems, rock gardens, driveways, curb, gutters, culverts, walks, fences, etc. If improvements that have either been built or installed by the property owner are not removed by the property owners, contractor will remove and dispose of improvements.

b) **Lyman Court SAA Job. No. 102146 - Zone II (Council District 5)**

The proposed improvements entail roadway reconstruction, concrete pavement, sidewalk, storm drainage facilities, driveway approaches and water main.

Properties included within Zone II include Lyman Court from 1210 South to 1300 South along both sides. Approximately 10 properties had been identified to be included as part of Zone II.

Zone II was scheduled to start in June of 2008 with a projected completion date in September of 2008.

The Administration has stated in the past that it is more economically feasible relating to bonding and administrative costs to combine two project areas into one SAA. Assessments in Zone I, 2007/08 FY Sidewalk Replacement SAA Job No. 102145 may be paid by property owners in approximately five (5) equal annual installments with interest accruing on the unpaid balance until paid in full. Assessments in Zone II, Lyman Court SAA Job No. 102146 may be paid by property owners in not more than approximately ten (10) principal annual installments with accrued interest until paid in full. Property owners have the option to pay the assessment in full or in part without interest within twenty-five (25) days after the ordinance levying the assessment becomes effective.

**CC:** Cindy Gust-Jenson, David Everitt, Lyn Creswell, Rick Graham, Jennifer Bruno, Dan Mulé, Marina Scott, Max Peterson, Karen Hale, John Naser PE, John Coyle PE, Sylvia Richards, Quin Card, Cindy Lou Trishman, Nick Tarbet, Shawn McDonough, Joyce Valdez, Sam McAllister, Boyd Ferguson, Blaine Carlton, Kenneth Taylor, Karen Carruthers, Garth Limburg, and Susan Finlayson

resulting in the balance to be bonded of \$396,000 (rounded down to the nearest \$1,000). This further breaks down into a 5-year \$58,000 bonded Area for C-102145 (Sidewalk Replacement) and a 10-year \$338,000 bonded Area for C-102146 (Lyman Court).


Both series of bonds are authorized to be issued for the purpose of (a) financing the construction and installation of improvements, and (b) paying issuance costs incurred in connection with the sale of these series of 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. JP Morgan Chase Bank, N.A., was the successful bidder and purchased the Bonds at a net interest cost (NIC) to the City of 3.93%. This rate is the annual interest rate that will be charged on assessments to property owners in this District. In addition to the Bond Resolution and Bond Purchase Agreement, copies of the debt service schedules are attached for your review.

Attachments

cc: Lyn Creswell, Boyd Ferguson, Gordon Hoskins, Daniel A. Mulé, Kelly Murdock, Marina Scott

**CITY COUNCIL TRANSMITTAL**

  
David Everitt, Chief of Staff

Date Received: 11/12/2009  
Date sent to Council: 11/12/2009

**TO:** Salt Lake City Council  
Carlton Christensen, Chair

**DATE:** November 10, 2009

**FROM:** Lyn Creswell, Administrative Services Director



**SUBJECT:** Resolution Authorizing the Issuance and Providing for the Sale of \$1,263,000 Special Assessment Bonds, Series 2009B (Special Assessment Area #C-103006, California Avenue) and \$396,000 Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145, Sidewalk Replacement, and #C-102146, Lyman Court).

**STAFF CONTACT:** Daniel A. Mulé, City Treasurer (801-535-6411)



**DOCUMENT TYPE:** Resolution

**RECOMMENDATION:** That the City Council approve the issuance and sale of the above-referenced Special Assessment Bonds to JP Morgan Chase Bank, N.A.

**BUDGET IMPACT:** None. Debt Service (principal and interest on the bonds) is paid with assessments collected from property owners.

**BACKGROUND/DISCUSSION:** On Tuesday, December 1, 2009, the City Council will consider adopting a bond resolution authorizing the issuance and confirming the sale of \$1,263,000 of special assessment bonds for Special Assessment Area #C-103006 (California Avenue). The amount assessed to property owners on July 23, 2009 was \$1,263,000. During the prepayment period, no prepayments were received by the City, resulting in the entire assessment of \$1,263,000 to be bonded over a 10-year period.

Also, for consideration that evening, the City Council will consider adopting a bond resolution authorizing the issuance and confirming the sale of \$396,000 of special assessment bonds Special Assessment Areas #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court). The amount assessed to property owners on July 23, 2009 was \$767,744.10. During the prepayment period, property owners remitted \$371,294.85,

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LOCATION: 451 SOUTH STATE STREET, ROOM 228, SALT LAKE CITY, UTAH 84111

MAILING ADDRESS: P.O. BOX 145462, SALT LAKE CITY, UTAH 84114-5462

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WWW.SLCGOV.COM

# \$1,263,000 Salt Lake City, Utah

Special Assessment Bonds

Special Assessment Area #C-103006

(California Avenue), Series 2009B

## Debt Service Schedule

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+I	Fiscal Total
12/10/2009	-	-	-	-	-
03/01/2010	-	-	11,054.41	11,054.41	-
06/30/2010	-	-	-	-	11,054.41
09/01/2010	105,000.00	3.890%	24,565.35	129,565.35	-
03/01/2011	-	-	22,523.10	22,523.10	-
06/30/2011	-	-	-	-	152,088.45
09/01/2011	110,000.00	3.890%	22,523.10	132,523.10	-
03/01/2012	-	-	20,383.60	20,383.60	-
06/30/2012	-	-	-	-	152,906.70
09/01/2012	114,000.00	3.890%	20,383.60	134,383.60	-
03/01/2013	-	-	18,166.30	18,166.30	-
06/30/2013	-	-	-	-	152,549.90
09/01/2013	118,000.00	3.890%	18,166.30	136,166.30	-
03/01/2014	-	-	15,871.20	15,871.20	-
06/30/2014	-	-	-	-	152,037.50
09/01/2014	123,000.00	3.890%	15,871.20	138,871.20	-
03/01/2015	-	-	13,478.85	13,478.85	-
06/30/2015	-	-	-	-	152,350.05
09/01/2015	128,000.00	3.890%	13,478.85	141,478.85	-
03/01/2016	-	-	10,989.25	10,989.25	-
06/30/2016	-	-	-	-	152,468.10
09/01/2016	133,000.00	3.890%	10,989.25	143,989.25	-
03/01/2017	-	-	8,402.40	8,402.40	-
06/30/2017	-	-	-	-	152,391.65
09/01/2017	138,000.00	3.890%	8,402.40	146,402.40	-
03/01/2018	-	-	5,718.30	5,718.30	-
06/30/2018	-	-	-	-	152,120.70
09/01/2018	144,000.00	3.890%	5,718.30	149,718.30	-
03/01/2019	-	-	2,917.50	2,917.50	-
06/30/2019	-	-	-	-	152,635.80
09/01/2019	150,000.00	3.890%	2,917.50	152,917.50	-
06/30/2020	-	-	-	-	152,917.50
<b>Total</b>	<b>\$1,263,000.00</b>	<b>-</b>	<b>\$272,520.76</b>	<b>\$1,535,520.76</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$7,005.68
Average Life	5.547 Years
Average Coupon	3.8900000%
Net Interest Cost (NIC)	3.9334678%
True Interest Cost (TIC)	3.9410874%
Bond Yield for Arbitrage Purposes	3.8909538%
All Inclusive Cost (AIC)	3.9410874%

### IRS Form 8038

Net Interest Cost	3.8900000%
Weighted Average Maturity	5.547 Years

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# \$58,000 Salt Lake City, Utah

Special Assessment Bonds

Special Assessment Area

#C-102145 (Sidewalk Replacement) Series 2009C

## Debt Service Schedule

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+i	Fiscal Total
12/10/2009	-	-	-	-	-
03/01/2010	-	-	507.65	507.65	-
06/30/2010	-	-	-	-	507.65
09/01/2010	11,000.00	3.890%	1,128.10	12,128.10	-
03/01/2011	-	-	914.15	914.15	-
06/30/2011	-	-	-	-	13,042.25
09/01/2011	11,000.00	3.890%	914.15	11,914.15	-
03/01/2012	-	-	700.20	700.20	-
06/30/2012	-	-	-	-	12,614.35
09/01/2012	12,000.00	3.890%	700.20	12,700.20	-
03/01/2013	-	-	466.80	466.80	-
06/30/2013	-	-	-	-	13,167.00
09/01/2013	12,000.00	3.890%	466.80	12,466.80	-
03/01/2014	-	-	233.40	233.40	-
06/30/2014	-	-	-	-	12,700.20
09/01/2014	12,000.00	3.890%	233.40	12,233.40	-
06/30/2015	-	-	-	-	12,233.40
<b>Total</b>	<b>\$58,000.00</b>	<b>-</b>	<b>\$6,264.85</b>	<b>\$64,264.85</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$161.05
Average Life	2.777 Years
Average Coupon	3.8900031%
Net Interest Cost (NIC)	3.9768333%
True Interest Cost (TIC)	3.9856711%
Bond Yield for Arbitrage Purposes	3.8910221%
All Inclusive Cost (AIC)	3.9856711%

### IRS Form 8038

Net Interest Cost	3.8900031%
Weighted Average Maturity	2.777 Years

# \$338,000 Salt Lake City, Utah

Special Assessment Bonds

Special Assessment Area

#C-102146 (Lyman Court), Series 2009C

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/10/2009	-	-	-	-	-
03/01/2010	-	-	2,958.35	2,958.35	-
06/30/2010	-	-	-	-	2,958.35
09/01/2010	28,000.00	3.890%	6,574.10	34,574.10	-
03/01/2011	-	-	6,029.50	6,029.50	-
06/30/2011	-	-	-	-	40,603.60
09/01/2011	29,000.00	3.890%	6,029.50	35,029.50	-
03/01/2012	-	-	5,465.45	5,465.45	-
06/30/2012	-	-	-	-	40,494.95
09/01/2012	30,000.00	3.890%	5,465.45	35,465.45	-
03/01/2013	-	-	4,881.95	4,881.95	-
06/30/2013	-	-	-	-	40,347.40
09/01/2013	32,000.00	3.890%	4,881.95	36,881.95	-
03/01/2014	-	-	4,259.55	4,259.55	-
06/30/2014	-	-	-	-	41,141.50
09/01/2014	33,000.00	3.890%	4,259.55	37,259.55	-
03/01/2015	-	-	3,617.70	3,617.70	-
06/30/2015	-	-	-	-	40,877.25
09/01/2015	34,000.00	3.890%	3,617.70	37,617.70	-
03/01/2016	-	-	2,956.40	2,956.40	-
06/30/2016	-	-	-	-	40,574.10
09/01/2016	36,000.00	3.890%	2,956.40	38,956.40	-
03/01/2017	-	-	2,256.20	2,256.20	-
06/30/2017	-	-	-	-	41,212.60
09/01/2017	37,000.00	3.890%	2,256.20	39,256.20	-
03/01/2018	-	-	1,536.55	1,536.55	-
06/30/2018	-	-	-	-	40,792.75
09/01/2018	39,000.00	3.890%	1,536.55	40,536.55	-
03/01/2019	-	-	778.00	778.00	-
06/30/2019	-	-	-	-	41,314.55
09/01/2019	40,000.00	3.890%	778.00	40,778.00	-
06/30/2020	-	-	-	-	40,778.00
<b>Total</b>	<b>\$338,000.00</b>	<b>-</b>	<b>\$73,095.05</b>	<b>\$411,095.05</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$1,879.05
Average Life	5.559 Years
Average Coupon	3.8900003%
Net Interest Cost (NIC)	3.9333706%
True Interest Cost (TIC)	3.9409778%
Bond Yield for Arbitrage Purposes	3.8910221%
All Inclusive Cost (AIC)	3.9409778%

### IRS Form 8038

Net Interest Cost	3.8900003%
Weighted Average Maturity	5.559 Years

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Salt Lake City, Utah

December 1, 2009

A regular meeting of the City Council of Salt Lake City, Utah, was held on Tuesday, December 1, 2009, 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:

Carlton Christensen	Chair
JT Martin	Vice Chair
Jill Remington-Love	Councilmember
Søren Dahl Simonsen	Councilmember
K. Eric Jergensen	Councilmember
Van Blair Turner	Councilmember
Luke Garrott	Councilmember

Also present:

Ralph Becker	Mayor
Edwin P. Rutan, II	City Attorney
Christine Meeker	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 City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this December 1, 2009, 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 City Recorder in the official records of Salt Lake City, Utah. The resolution is as follows:

RESOLUTION NO. \_\_\_\_\_ OF 2009

A resolution authorizing the issuance and providing for the sale of the \$1,263,000 Salt Lake City, Utah Special Assessment Bonds, Series 2009B (Special Assessment Area #C-103006 (California Avenue)) (the "Series 2009B Bonds") providing for pricing and terms of the Series 2009B Bonds, prescribing the form, 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 California Avenue, 4800 West to 5600 West, Special Assessment Area (#103006) (the "Area"), and adopted and approved an assessment ordinance of the Issuer (the "Assessment Ordinance") confirming the assessment list for the Area; 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 Area; and

WHEREAS, the total cost of the improvements constructed within the Area was \$4,451,498.88 of which the Issuer's portion was \$3,188,226.36 leaving an amount to be paid through the issuance of bonds or from funds provided by the Issuer of \$1,263,000 (rounded down to the nearest \$1,000); and

WHEREAS, the Council now desires to authorize the issuance and sale of the Series 2009B Bonds in the total principal amount of \$1,263,000 to finance the costs of the improvements within the Area including overhead costs of the Issuer; and

WHEREAS, JPMorgan Chase Bank, N.A., its successors and assigns (collectively, the "Purchaser"), has indicated its interest in purchasing the Series 2009B 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 2009B Bonds and to award the sale of the Series 2009B 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.

“Allocable Portion” means the amount of the Guaranty Fund that is allocable to the Series 2009B Bonds according to (a) the proportion that the original face amount of the Series 2009B Bonds bears to the aggregate of the original face amounts of the Series 2009B Bonds and all other outstanding Special Assessment Bonds issued by the Issuer and secured by the Guaranty Fund, or (b) 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 2009B Bonds from gross income for federal income tax purposes.

“Area” means the Salt Lake City, Utah Special Assessment Area #C-103006 (California Avenue).

“Assessment Ordinance” means the assessment ordinance adopted by the Issuer on July 14, 2009, which assessed the properties benefited by the Improvements within the Area.

“Bondholder” or “Holder” means the registered owner of any Series 2009B 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 December 1, 2009, by and between the Issuer and the Purchaser in the form attached hereto as Exhibit B, pursuant to which the Series 2009B 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 2009B Bonds. Pursuant to Sections 2.5 and 3.5 hereof, the initial Bond Registrar for the Series 2009B Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, or its successors.

“Bond Resolution” means this Resolution of the Issuer authorizing the issuance and sale of the Series 2009B Bonds.

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

“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 2009B Bonds as described in Section 148(f)(6)(B) of the Code.

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

“Improvements” means the installation of concrete curbs, sidewalks, and street lighting and all other miscellaneous work necessary to complete the improvements in a 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 2009B Bonds. Pursuant to Sections 2.5 and 3.5 hereof the initial Paying Agent for the Series 2009B Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, or its successors or assigns.

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

“Purchaser” means JPMorgan Chase Bank, N.A., Salt Lake City, Utah.

“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 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.

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

“Series 2009B Bonds” means the Salt Lake City, Utah Special Assessment Bonds, Series 2009B (Special Assessment Area #C-103006 (California Avenue)) 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 2009B Bonds plus a reasonable carryover amount not to exceed the

greater of (a) one year's earnings on such amount of the Special Assessment Fund, or (b) one-twelfth of the annual debt service on the Series 2009B Bonds.

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

“Special Improvement Districts” means special improvement districts and assessment areas created or designated 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 or any Deputy City Treasurer of the Issuer.

“Unrestricted Portion of Bond Proceeds” means an amount of Gross Proceeds of the Series 2009B Bonds equal to the sum of (a) ten percent (10%) of the proceeds of the Series 2009B Bonds, plus (b) the lesser of (i) five percent (5%) of the proceeds of the Series 2009B Bonds, or (ii) one hundred thousand dollars (\$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 2009B BONDS

Section 2.1 Authorization of Series 2009B Bonds, Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions and limitations established in this Bond Resolution, a series of Special Assessment Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of \$1,263,000 (the "Series 2009B Bonds"). The Series 2009B Bonds shall be designated "Salt Lake City, Utah Special Assessment Bonds, Series 2009B (Special Assessment Area #C-103006 (California Avenue)). The Series 2009B Bonds shall be issued in fully registered form only, without coupons.

Section 2.2 Purpose. The Series 2009B 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 2009B Bonds.

Section 2.3 Bond Details. The Series 2009B Bonds will be dated as of their date of delivery, and will mature on September 1, 2019, in the principal amount of \$1,263,000 and will bear interest at the rate of three and eighty-nine hundredths percent (3.89%) per annum.

The Series 2009B Bonds shall bear interest payable semi-annually beginning on March 1, 2010, and continuing thereafter on each September 1 and March 1 of each year by wire transfer of funds, or by check or draft mailed to the registered owners of record of the Series 2009B Bonds. Because the Purchaser intends to hold the Series 2009B Bonds for investment purposes, it is anticipated the Purchaser will be the only Bondholder as long as any of the Series 2009B 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 2009B Bonds.

Each Series 2009B 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 2009B Bonds, in which case interest shall accrue from its initial delivery date, or (b) any Series 2009B 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 2009B Bond, interest is in default, such Series 2009B Bond shall accrue interest from the date to which interest has been paid. The Series 2009B Bonds shall bear interest on overdue principal at the aforesaid respective rates.

Section 2.4 Denominations and Numbers. Subject to the provisions of Section 3.3 hereof, the Series 2009B Bonds shall be issued as fully registered bonds, without coupons, in the denomination of one thousand dollars (\$1,000) or any whole multiple thereof. The Series 2009B 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 2009B Bonds are being privately placed with the Purchaser under the Bond Purchase Agreement, one bond certificate will be issued initially.

Section 2.5 Paying Agent and Bond Registrar. The Issuer may remove any Paying Agent and any Bond Registrar, and appoint a successor or successors thereto. The Issuer shall submit to the Paying Agent or Bond Registrar, as the case may be, a notice of such removal at least thirty (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 2009B 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 2009B 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 2009B 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 2009B Bonds also may be made under the direction of the Paying Agent by wire transfer or by inter-fund transfer.

Section 2.6 Mandatory Sinking Fund Redemption. The Series 2009B Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund	
Redemption Date	
<u>(September 1)</u>	<u>Principal Amount</u>
2010	105,000
2011	110,000
2012	114,000
2013	118,000
2014	123,000
2015	128,000
2016	133,000
2017	138,000
2018	144,000
2019*	150,000

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\* Final Maturity Date



In the event of a mandatory sinking fund redemption necessitating a reduction in aggregate principal amount of any of the Series 2009B Bonds outstanding, a Bondholder in its discretion: (a) may request the Bond Registrar to issue and authenticate a new Series 2009B Bond certificate, or (b) shall make an appropriate notation on the Series 2009B Bond certificate indicating the date and amounts of such redemption in principal, except in the case of final maturity in which case the certificate must be presented to the Paying Agent prior to payment. Should the Bondholder elect to not submit the Series 2009B Bonds for redemption, the Paying Agent's records shall govern in the case of discrepancy with the noted schedule on the Series 2009B Bond, absent manifest error.

Section 2.7 Sale of the Series 2009B Bonds. Approval is hereby granted for the sale and delivery of the Series 2009B Bonds to the Purchaser at a purchase price of \$\_\_\_\_\_ 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 2009B Bonds. The Series 2009B 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 2009B Bonds are hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, attestation, and sealing of the Series 2009B Bonds by said officials. The Series 2009B 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 2009B 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 2009B 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 2009B Bond shall be deemed to have been executed by it if (a) such Series 2009B 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 2009B Bonds issued hereunder or that all of the Series 2009B Bonds hereunder be certified as registered by the same Bond Registrar, and (b) the date of authentication of the Series 2009B 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 2009B Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Series 2009B 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 2009B 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 2009B 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 2009B 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 2009B 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 2009B Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Series 2009B 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 2009B Bonds. The Series 2009B 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 2009B 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 2009B Bonds.

## ARTICLE III

### TRANSFER AND EXCHANGE OF SERIES 2009B BONDS; BOND REGISTRAR

#### Section 3.1 Transfer of Series 2009B Bonds.

(a) Any Series 2009B 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 2009B 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 2009B 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 thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Series 2009B Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Series 2009B Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.7 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 2009B Bond, no such transfer shall be required to be made after the Record Date with respect to any interest payment date to and including such interest payment date.

Section 3.2 Exchange of Series 2009B Bonds. If circumstances not now contemplated result in a modification of the expressed investment intent of the Purchaser and Series 2009B Bonds are later sold to other Bondholders, Series 2009B Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Series 2009B Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.7 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 2009B Bond, no such exchange shall be required to be made after the Record Date with respect to any interest payment date to and including such interest payment date.

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 2009B 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 2009B 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 2009B 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 any redemption of Series 2009B Bonds as provided herein;

(d) to cancel and/or destroy Series 2009B Bonds which have been paid at maturity or submitted for exchange or transfer;

(e) to furnish to the Issuer at least annually a certificate with respect to Series 2009B Bonds canceled and/or destroyed; and

(f) to furnish to the Issuer at least annually an audit confirmation of Series 2009B Bonds paid, Series 2009B Bonds outstanding and payments made with respect to interest on the Series 2009B Bonds.

## ARTICLE IV

### COVENANTS AND UNDERTAKINGS

Section 4.1 Covenants of Issuer. All covenants, statements, representations, and agreements contained in the Series 2009B Bonds, and all recitals and representations in this Bond Resolution are hereby considered and understood and it is hereby confirmed that all said covenants, statements, representations, and agreements 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 Area 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 Area shall be and the same are hereby ratified, approved, and confirmed. The Issuer hereby finds and represents that no assessment will exceed the benefit to be derived from the Improvements by the piece of property assessed, and no parcel of property will bear more than its proportionate share of the cost of the Improvements to be made.

Section 4.3 Levy and Collection of Assessments. The Treasurer shall be and is hereby authorized and empowered, and it shall be his/her duty to receive and collect all assessments levied by the Assessment Ordinance to pay the cost of the Improvements of the Area, 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 (including mandatory sinking fund payments) or interest, when due, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same in accordance with the laws of the State of Utah and all the ordinances and resolutions of the Issuer heretofore or to be hereafter adopted, including the Assessment Ordinance.

All moneys constituting the payment of assessments pursuant to the Assessment Ordinance, including interest thereon, shall be placed in a regular fund to be designated "Special Assessment Fund" of Salt Lake City, Utah Special Assessment Bonds, Series 2009B (Special Assessment Area #C-103006 (California Avenue)), and shall be used for the purpose of paying the principal of (including mandatory sinking fund payments) and the interest on the Series 2009B 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 2009B 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 2009B Bonds that it will, until the payment of the Series 2009B 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 2009B 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 Special Assessment Bonds and interest thereon issued against Special 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 2009B Bonds plus an allocation as required by the assessment ordinance for each of the other Special Assessment 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(3)(c) of the Act and Section 148 of the Code, and the Issuer hereby covenants to maintain such books and records and to account for all moneys deposited in the Guaranty Fund with respect to the Series 2009B 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 2009B 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 2009B Bonds due (including mandatory sinking fund payments), the interest and principal (including mandatory sinking fund payments) 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 2009B 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 Area 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 (including mandatory sinking fund payments) 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.

Section 4.10 Series 2009B Bonds in Registered Form. The Issuer recognizes that Section 149 of the Code requires the Series 2009B 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 2009B Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Series 2009B 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 2009B 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 2009B Bonds that no use will be made of the proceeds of the issue and sale of the Series 2009B Bonds, or any funds or accounts of the Issuer which may be deemed to be Gross Proceeds of the Series 2009B Bonds, which use, if it had been reasonably expected on the date of issuance of the Series 2009B Bonds, would have caused the Series 2009B 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 2009B 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 sold pursuant to the same plan of financing and payable from substantially the same source of funds were sold within the period beginning fifteen (15) days before the date of sale of the Series 2009B Bonds and ending fifteen (15) days after such date of sale.

(b) The Issuer hereby covenants and agrees to determine the Allocable Portion of the Guaranty Fund allocable to the Series 2009B Bonds upon the occurrence of each of the following events:

- (i) upon the date of issuance of the Series 2009B Bonds;
- (ii) when the size of the Guaranty Fund increases as a result of either (A) deposits into the Guaranty Fund, or (B) earnings credited to the Guaranty Fund;
- (iii) when the last bond of any outstanding issue of Special Assessment Bonds is retired; and
- (iv) when new Special 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 2009B Bonds or in Tax-Exempt Obligations. For this purpose, proceeds of and yield on the Series 2009B Bonds shall be based upon the first price at which a substantial amount (not less than 10%) of the principal amount of the Series 2009B 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 2009B 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 2009B 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 Special Assessment Area #C-103006 (California Avenue) (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 2009B Bonds comprised of the total settlement amount of \$1,263,000 and make the required arbitrage rebate payments to the federal government from the earnings from said Gross Proceeds of the Series 2009B 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 2009B 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 2009B Bonds on all "Nonpurpose



Investments” (including gains on the disposition of such obligations) in which Gross Proceeds of the Series 2009B 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 2009B 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 twenty-nine (29) days after the fifth anniversary of the date of issuance of the Series 2009B 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 ninety percent (90%) of the Excess Earnings computed as of the anniversary of the date of issuance of the Series 2009B Bonds nearest to the date of payment. Payment of the last installment shall be made not later than sixty (60) days after the date on which the last Series 2009B Bond has been discharged, in an amount which, when added to all prior installments, equals one hundred percent (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 2009B 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 2009B Bond, adequate records with respect to the Series 2009B 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 2009B 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 2009B Bonds and on the date of the retirement of the last Series 2009B 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 2009B 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 2009B 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 2009B 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 2009B 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 2009B Bonds in order to preserve the excludability of interest on the Series 2009B Bonds from gross income for federal income tax purposes.

Section 4.12 [Nondesignation of Series 2009B Bonds]. The Issuer has not designated the Series 2009B Bonds, and the Series 2009B 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.]

## ARTICLE V

### FORM OF SERIES 2009B BONDS

Section 5.1 Form of Series 2009B Bonds. Each fully registered Series 2009B Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required:

[FORM OF BOND]

Registered

Registered

UNITED STATES OF AMERICA  
STATE OF UTAH  
SALT LAKE CITY, UTAH  
SPECIAL ASSESSMENT BOND, SERIES 2009B  
(SPECIAL ASSESSMENT AREA #C-103006 (CALIFORNIA AVENUE))

Number R -1

\$1,263,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>
3.89%	September 1, 2019	_____, 2009

Registered Owner: \_\_\_\_\_

Principal Amount: ONE MILLION TWO HUNDRED SIXTY-THREE THOUSAND AND NO/100 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 March 1, 2010, and thereafter in each year on March 1 and September 1 until payment in full of said Principal Amount. Interest on this Series 2009B 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 2009B Bonds, in which case interest shall accrue from the Original Issue Date identified above, or (b) this Series 2009B 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 2009B Bond, interest is in default, interest shall accrue from the date to which interest has been paid. Except as described in the subsequent sentence, principal of and premium, if any, on this Series 2009B 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 mandatory sinking fund payments and 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. Principal payments due to mandatory sinking fund redemption may be noted on the Record of Principal Payments attached hereto and, upon signature of an authorized officer of the Registered Owner, the principal amount of this Series 2009B Bond shall be reduced by the payment of principal thereof on the dates and in the amounts indicated on such Record of Principal Payments without the surrender of the Series 2009B Bond to the Paying Agent.

This Series 2009B Bond is one of the Special Assessment Bonds of the Issuer (the "Series 2009B Bonds") limited to the aggregate principal amount of \$1,263,000 issued under and by virtue of the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended (the "Act"), and under and pursuant to a resolution of the Issuer adopted on \_\_\_\_\_, 2009 (the "Bond Resolution"), for the purpose of (a) installing concrete curbs, sidewalks, and street lighting and all other miscellaneous work necessary to complete the improvements in a workmanlike manner (the "Improvements"), and (b) paying issuance expenses incurred in connection with the issuance of the Series 2009B Bonds.

U.S. Bank National Association is the initial bond registrar and paying agent with respect to the Series 2009B 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 2009B Bond and the interest thereon shall be made from, and as security for such payment there is pledged the Special Assessment Fund of the Salt Lake City, Utah Special Assessment Bonds, Series 2009B for the Salt Lake City, Utah Special Assessment Area #C-103006 (California Avenue) (the "Area"), containing the receipts derived by the Issuer from the regular assessments levied upon the property included in the Area by the Assessment Ordinance adopted by the Issuer, which ordinance became effective on October 7, 2008 (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 2009B Bonds are not subject to optional redemption prior to maturity.]

The Series 2009B Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Redemption Date (September 1)	<u>Principal Amount</u>
2010	105,000
2011	110,000
2012	114,000
2013	118,000
2014	123,000
2015	128,000
2016	133,000
2017	138,000
2018	144,000
2019*	150,000

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\* Final Maturity Date

In the event of a mandatory sinking fund redemption necessitating a reduction in aggregate principal amount of any of the Series 2009B Bonds outstanding, a Bondholder in its discretion: (a) may request the Bond Registrar to issue and authenticate a new Series 2009B Bond certificate, or (b) shall make an appropriate notation on the Series 2009B Bond certificate indicating the date and amounts of such redemption in principal, except in the case of final maturity in which case the certificate must be presented to the Paying Agent prior to payment. Should the Bondholder elect to not submit the Series 2009B Bonds for redemption, the Paying Agent's records shall govern in the case of discrepancy with the noted schedule on the Series 2009B Bond, absent manifest error

It is hereby certified that a 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 2009B Bond and until payment thereof in full, said fund shall be at all times maintained as required by ordinance. This Series 2009B Bond is not a general obligation of the Issuer but is payable exclusively out of said Special Assessment Fund and said Guaranty Fund. The Issuer shall not be held liable for the payment of this Series 2009B Bond, except to the extent of the funds created and received from said regular assessments and to the extent of its Guaranty Fund; but the Issuer shall be held responsible for the lawful levy of all regular assessments, for the creation and maintenance of the 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 2009B 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 2009B Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity, and interest rate as the surrendered Series 2009B Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Series 2009B 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 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 2009B Bonds are issuable solely in the form of registered bonds without coupons in the denomination of one thousand dollars (\$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 2009B Bond and the issue of Series 2009B 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 2009B Bond exist, have happened and have been performed and that the issue of Series 2009B Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that the aggregate amount of special assessment bonds of the Issuer for the Area, including this Bond, does not exceed the amount authorized by law nor the special assessment levied to cover the cost of Improvements in the Area, and that all of said special assessment has been lawfully levied.

This Series 2009B 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 2009B Bond to be signed in its name and on its behalf by its Mayor and attested by its City Recorder or Deputy City Recorder (the signatures of said Mayor and City Recorder or Deputy City Recorder being by facsimile or manual signature), and has caused its corporate seal or the facsimile of its corporate seal to be impressed or printed hereon, and said officials by the execution hereof adopt as and for their own proper signatures their facsimile signatures appearing on each of the Series 2009B Bonds.

(SEAL)

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

ATTEST:

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



CERTIFICATE OF AUTHENTICATION

This Series 2009B Bond is one of the Salt Lake City, Utah Special Assessment Bonds, Series 2009B (Special Assessment Area #C-103006 (California Avenue)) described in the within-mentioned Bond Resolution.

U.S. BANK NATIONAL ASSOCIATION,  
as Bond Registrar

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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

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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

RECORD OF PRINCIPAL PAYMENTS

Pursuant to the Series 2009B Bond which has been issued and to which this schedule is attached, the Registered Owner (or its duly authorized agent) certified (as evidenced by the signature in the right-hand column) that the principal amount of the attached Series 2009B Bond has been reduced by payment of the principal thereof on the dates and in the amounts indicated.

<u>Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Signature of</u> <u>Registered Owner</u>
2010	\$105,000	_____
2011	110,000	_____
2012	114,000	_____
2013	118,000	_____
2014	123,000	_____
2015	128,000	_____
2016	133,000	_____
2017	138,000	_____
2018	144,000	_____
2019	150,000	_____

## ARTICLE VII

### MISCELLANEOUS

Section 7.1 Ratification. All proceedings, resolutions, and actions of the Issuer and its officers taken in connection with the sale and issuance of the Series 2009B Bonds are hereby ratified, confirmed, and approved.

Section 7.2 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 7.3 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 7.4 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 7.5 Effective Date. This Bond Resolution shall take effect immediately.

ADOPTED AND APPROVED this December 1, 2009.

(SEAL)

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

ATTEST:

---

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



PRESENTATION TO THE MAYOR

The foregoing resolution was presented to the Mayor for his approval or disapproval on \_\_\_\_\_, 2009.

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

MAYOR'S APPROVAL OR DISAPPROVAL

The foregoing resolution is hereby approved this \_\_\_\_\_, 2009.

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



EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Christine Meeker, the undersigned 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 December 1, 2009, 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 \_\_\_\_\_, 2009, 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 \_\_\_\_\_, 2009, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a notice to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>).

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this \_\_\_\_\_, 2009.

(SEAL)

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

SCHEDULE 1

NOTICE OF MEETING

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No.\_\_\_\_)

\$1,263,000

SALT LAKE CITY, UTAH  
SPECIAL ASSESSMENT BONDS, SERIES 2009B  
(SPECIAL ASSESSMENT AREA #C-103006  
(CALIFORNIA AVENUE))

Bond Purchase Agreement

December 1, 2009

Salt Lake City Corporation  
City & County Building  
451 South State Street  
P.O. Box 145462  
Salt Lake City, Utah 84114-5462

The undersigned, JPMorgan Chase Bank, N.A., its successors and assigns (collectively, the "Purchaser"), offers to purchase from Salt Lake City, Utah (the "Issuer"), all (but not less than all) of the \$1,263,000 Salt Lake City, Utah Special Assessment Bonds, Series 2009B (Special Assessment Area #C-103006 (California Avenue)) (the "Bonds") issued with respect to the Salt Lake City, Utah Special Assessment Area #C-103006 (California Avenue) (the "Area") of the Issuer, with delivery and payment at the offices of Ballard Spahr, 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 "Bond Purchase Agreement") on or before 11:59 p.m., Utah time, on the date hereof.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. Exhibit A, which is hereby incorporated by reference into this Bond Purchase Agreement, 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 Bond Purchase Agreement, to adopt the Resolution dated December 1, 2009 (the "Resolution") and the Assessment Ordinance (as defined in the Resolution), and to deliver and sell the Bonds to the Purchaser; (b) this Bond Purchase Agreement, the Resolution, the Assessment Ordinance, 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 Bond 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, the Assessment Ordinance, or this Bond 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 and the Assessment Ordinance, or the execution and delivery of this Bond Purchase Agreement; and (f) the Issuer has the legal right, power, and authority to collect, receive, and pledge the assessments levied by the Assessment Ordinance.

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

(a) From the time of the execution and delivery of this Bond 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) The Resolution;

(iii) The Assessment Ordinance;

(iv) 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 Bond Purchase Agreement delivered to us with respect to the Issuer are true and correct when made and as of the Closing;

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

(vi) The approving opinion of Ballard Spahr, 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;



(vii) The opinion of counsel to the Issuer, satisfactory to the Purchaser, dated the date of Closing and addressed to the Purchaser;

(viii) 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 Issuer, counsel to the Purchaser, financial advisor, and Bond Counsel and the cost of preparing and printing the Bonds.

5. This Bond 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 Bond 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, or 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,

JPMORGAN CHASE BANK, N.A.

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

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

(SEAL)

ACCEPTED ON BEHALF OF:

SALT LAKE CITY, UTAH

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

ATTEST AND COUNTERSIGN:

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

EXHIBIT A

DESCRIPTION OF BONDS

1. Issue Size: \$1,263,000
2. Purchase Price: \$ \_\_\_\_\_
3. Purchaser's Fee: \$ \_\_\_\_\_
4. Accrued Interest: \$ \_\_\_\_\_
5. Interest Payment Dates: March 1, September 1
6. Interest Rate: 3.89% per annum
7. Maturity Date: September 1, 2019
8. Dated Date: Initial delivery date of Bonds
9. Form: Registered Bonds
10. Closing Date: December 10, 2009, or other date acceptable to Issuer and Purchaser
11. Redemption: The Bonds are subject to mandatory sinking fund redemption as described in 12 below.
12. Mandatory Sinking Fund Redemption.

<u>Redemption Date</u> <u>(September 1)</u>	<u>Amount</u>
2010	\$105,000
2011	110,000
2012	114,000
2013	118,000
2014	123,000
2015	128,000
2016	133,000
2017	138,000
2018	144,000
2019*	150,000

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\* Final maturity

Salt Lake City, Utah

December 1, 2009

A regular meeting of the City Council of Salt Lake City, Utah, was held on Tuesday, December 1, 2009, 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:

Carlton Christensen	Chair
JT Martin	Vice Chair
Jill Remington-Love	Councilmember
Søren Dahl Simonsen	Councilmember
K. Eric Jergensen	Councilmember
Van Blair Turner	Councilmember
Luke Garrott	Councilmember

Also present:

Ralph Becker	Mayor
Edwin P. Rutan, II	City Attorney
Christine Meeker	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 City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this December 1, 2009, 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 City Recorder in the official records of Salt Lake City, Utah. The resolution is as follows:

RESOLUTION NO. \_\_\_\_\_ OF 2009

A resolution authorizing the issuance and providing for the sale of the \$396,000 Salt Lake City, Utah Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court)) (the "Series 2009C Bonds") providing for pricing and terms of the Series 2009C Bonds, prescribing the form, 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 Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court) (the "Area"), and adopted and approved an assessment ordinance of the Issuer (the "Assessment Ordinance") confirming the assessment list for Zone I and Zone II located within the Area; 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 Area; and

WHEREAS, (a) the total cost of the improvements constructed within Zone I in the Assessment Area was \$1,434,178.57 of which the Issuer's portion was \$750,734.51, and (b) the total cost of the improvements constructed within Zone II in the Assessment Area was \$219,447.27 of which the Issuer's portion was \$135,147.19, leaving an amount to be paid for Zone I and Zone II through the issuance of bonds or from funds provided by the Issuer of \$396,000 (rounded down to the nearest \$1,000); and

WHEREAS, the Council now desires to authorize the issuance and sale of the Series 2009C Bonds in the total principal amount of \$396,000 to finance the costs of the improvements within the Area including overhead costs of the Issuer; and

WHEREAS, JPMorgan Chase Bank, N.A., its successors and assigns (collectively, the "Purchaser"), has indicated its interest in purchasing the Series 2009C 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 2009C Bonds and to award the sale of the Series 2009C 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.

“Allocable Portion” means the amount of the Guaranty Fund that is allocable to the Series 2009C Bonds according to (a) the proportion that the original face amount of the Series 2009C Bonds bears to the aggregate of the original face amounts of the Series 2009C Bonds and all other outstanding Special Assessment Bonds issued by the Issuer and secured by the Guaranty Fund, or (b) 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 2009C Bonds from gross income for federal income tax purposes.

“Area” means the Salt Lake City, Utah Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court).

“Assessment Ordinance” means the assessment ordinance adopted by the Issuer on July 14, 2009, which assessed the properties benefited by the Improvements within the Area.

“Bondholder” or “Holder” means the registered owner of any Series 2009C 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 December 1, 2009, by and between the Issuer and the Purchaser in the form attached hereto as Exhibit B, pursuant to which the Series 2009C 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 2009C Bonds. Pursuant to Sections 2.5 and 3.5 hereof, the initial Bond Registrar for the Series 2009C Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, or its successors.

“Bond Resolution” means this Resolution of the Issuer authorizing the issuance and sale of the Series 2009C Bonds.

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

“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 2009C Bonds as described in Section 148(f)(6)(B) of the Code.

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

“Improvements” means the installation of concrete sidewalk, pavement, storm drainage, and water main improvements, and all other miscellaneous improvements necessary to complete the improvements 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 2009C Bonds. Pursuant to Sections 2.5 and 3.5 hereof the initial Paying Agent for the Series 2009C Bonds is U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, or its successors or assigns.

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

“Purchaser” means JPMorgan Chase Bank, N.A, Salt Lake City, Utah.

“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 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.

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

“Series 2009C Bonds” means the Salt Lake City, Utah Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court)) 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 2009C Bonds plus a reasonable carryover amount not to exceed the



greater of (a) one year's earnings on such amount of the Special Assessment Fund, or (b) one-twelfth of the annual debt service on the Series 2009C Bonds.

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

“Special Improvement Districts” means special improvement districts and assessment areas created or designated 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 or any Deputy City Treasurer of the Issuer.

“Unrestricted Portion of Bond Proceeds” means an amount of Gross Proceeds of the Series 2009C Bonds equal to the sum of (a) ten percent (10%) of the proceeds of the Series 2009C Bonds, plus (b) the lesser of (i) five percent (5%) of the proceeds of the Series 2009C Bonds, or (ii) one hundred thousand dollars (\$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 2009C BONDS

Section 2.1 Authorization of Series 2009C Bonds, Principal Amount, Designation, and Series. In accordance with and subject to the terms, conditions and limitations established in this Bond Resolution, a series of Special Assessment Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of \$396,000 (the "Series 2009C Bonds"). The Series 2009C Bonds shall be designated "Salt Lake City, Utah Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court)). The Series 2009C Bonds shall be issued in fully registered form only, without coupons.

Section 2.2 Purpose. The Series 2009C 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 2009C Bonds.

Section 2.3 Bond Details. The Series 2009C Bonds will be dated as of their date of delivery, and will mature on September 1, 2019, in the principal amount of \$396,000 and will bear interest at the rate of three and eighty-nine hundredths percent (3.89%) per annum.

The Series 2009C Bonds shall bear interest payable semi-annually beginning on March 1, 2010, and continuing thereafter on each September 1 and March 1 of each year by wire transfer of funds, or by check or draft mailed to the registered owners of record of the Series 2009C Bonds. Because the Purchaser intends to hold the Series 2009C Bonds for investment purposes, it is anticipated the Purchaser will be the only Bondholder as long as any of the Series 2009C 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 2009C Bonds.

Each Series 2009C 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 2009C Bonds, in which case interest shall accrue from its initial delivery date, or (b) any Series 2009C 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 2009C Bond, interest is in default, such Series 2009C Bond shall accrue interest from the date to which interest has been paid. The Series 2009C Bonds shall bear interest on overdue principal at the aforesaid respective rates.

Section 2.4 Denominations and Numbers. Subject to the provisions of Section 3.3 hereof, the Series 2009C Bonds shall be issued as fully registered bonds, without coupons, in the denomination of one thousand dollars (\$1,000) or any whole multiple thereof. The Series 2009C 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 2009C Bonds are being privately placed with the Purchaser under the Bond Purchase Agreement, one bond certificate will be issued initially.

Section 2.5 Paying Agent and Bond Registrar. The Issuer may remove any Paying Agent and any Bond Registrar, and appoint a successor or successors thereto. The Issuer shall submit to the Paying Agent or Bond Registrar, as the case may be, a notice of such removal at least thirty (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 2009C 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 2009C 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 2009C 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 2009C Bonds also may be made under the direction of the Paying Agent by wire transfer or by inter-fund transfer.

Section 2.6 Mandatory Sinking Fund Redemption. The Series 2009C Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund	
Redemption Date (September 1)	<u>Principal Amount</u>
2010	\$39,000
2011	40,000
2012	42,000
2013	44,000
2014	45,000
2015	34,000
2016	36,000
2017	37,000
2018	39,000
2019*	40,000

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\* Final Maturity Date

In the event of a mandatory sinking fund redemption necessitating a reduction in aggregate principal amount of any of the Series 2009C Bonds outstanding, a Bondholder in its discretion: (a) may request the Bond Registrar to issue and authenticate a new Series 2009C Bond certificate, or (b) shall make an appropriate notation on the Series 2009C Bond certificate indicating the date and amounts of such redemption in principal, except in the case of final maturity in which case the certificate must be presented to the Paying Agent prior to payment. Should the Bondholder elect to not submit the Series 2009C Bonds for redemption, the Paying Agent's records shall govern in the case of discrepancy with the noted schedule on the Series 2009C Bond, absent manifest error.

Section 2.7 Sale of the Series 2009C Bonds. Approval is hereby granted for the sale and delivery of the Series 2009C Bonds to the Purchaser at a purchase price of \$\_\_\_\_\_ 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 2009C Bonds. The Series 2009C 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 2009C Bonds are hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, attestation, and sealing of the Series 2009C Bonds by said officials. The Series 2009C 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 2009C 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 2009C 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 2009C Bond shall be deemed to have been executed by it if (a) such Series 2009C 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 2009C Bonds issued hereunder or that all of the Series 2009C Bonds hereunder be certified as registered by the same Bond Registrar, and (b) the date of authentication of the Series 2009C 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 2009C Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Series 2009C 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 2009C 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 2009C 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 2009C 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 2009C 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 2009C Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Series 2009C 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 2009C Bonds. The Series 2009C 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 2009C 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 2009C Bonds.

## ARTICLE III

### TRANSFER AND EXCHANGE OF SERIES 2009C BONDS; BOND REGISTRAR

#### Section 3.1 Transfer of Series 2009C Bonds.

(a) Any Series 2009C 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 2009C 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 2009C 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 thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Series 2009C Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Series 2009C Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.7 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 2009C Bond, no such transfer shall be required to be made after the Record Date with respect to any interest payment date to and including such interest payment date.

Section 3.2 Exchange of Series 2009C Bonds. If circumstances not now contemplated result in a modification of the expressed investment intent of the Purchaser and Series 2009C Bonds are later sold to other Bondholders, Series 2009C Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered Series 2009C Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.7 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 2009C Bond, no such exchange shall be required to be made after the Record Date with respect to any interest payment date to and including such interest payment date.

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 2009C 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 2009C 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 2009C 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 any redemption of Series 2009C Bonds as provided herein;

(d) to cancel and/or destroy Series 2009C Bonds which have been paid at maturity or submitted for exchange or transfer;

(e) to furnish to the Issuer at least annually a certificate with respect to Series 2009C Bonds canceled and/or destroyed; and

(f) to furnish to the Issuer at least annually an audit confirmation of Series 2009C Bonds paid, Series 2009C Bonds outstanding and payments made with respect to interest on the Series 2009C Bonds.



## ARTICLE IV

### COVENANTS AND UNDERTAKINGS

Section 4.1 Covenants of Issuer. All covenants, statements, representations, and agreements contained in the Series 2009C Bonds, and all recitals and representations in this Bond Resolution are hereby considered and understood and it is hereby confirmed that all said covenants, statements, representations, and agreements 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 Area 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 Area shall be and the same are hereby ratified, approved, and confirmed. The Issuer hereby finds and represents that no assessment will exceed the benefit to be derived from the Improvements by the piece of property assessed, and no parcel of property will bear more than its proportionate share of the cost of the Improvements to be made.

Section 4.3 Levy and Collection of Assessments. The Treasurer shall be and is hereby authorized and empowered, and it shall be his/her duty to receive and collect all assessments levied by the Assessment Ordinance to pay the cost of the Improvements of the Area, 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 (including mandatory sinking fund payments) or interest, when due, and to pay and disburse such payments to the person or persons lawfully entitled to receive the same in accordance with the laws of the State of Utah and all the ordinances and resolutions of the Issuer heretofore or to be hereafter adopted, including the Assessment Ordinance.

All moneys constituting the payment of assessments pursuant to the Assessment Ordinance, including interest thereon, shall be placed in a regular fund to be designated "Special Assessment Fund" of Salt Lake City, Utah Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court)), and shall be used for the purpose of paying the principal of (including mandatory sinking fund payments) and the interest on the Series 2009C 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 2009C 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 2009C Bonds that it will, until the payment of the Series 2009C 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 2009C 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 Special Assessment Bonds and interest thereon issued against Special 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 2009C Bonds plus an allocation as required by the assessment ordinance for each of the other Special Assessment 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(3)(c) of the Act and Section 148 of the Code, and the Issuer hereby covenants to maintain such books and records and to account for all moneys deposited in the Guaranty Fund with respect to the Series 2009C 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 2009C 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 2009C Bonds due (including mandatory sinking fund payments), the interest and principal (including mandatory sinking fund payments) 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 2009C 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 Area 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 (including mandatory sinking fund payments) 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.

Section 4.10 Series 2009C Bonds in Registered Form. The Issuer recognizes that Section 149 of the Code requires the Series 2009C 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 2009C Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Series 2009C 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 2009C 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 2009C Bonds that no use will be made of the proceeds of the issue and sale of the Series 2009C Bonds, or any funds or accounts of the Issuer which may be deemed to be Gross Proceeds of the Series 2009C Bonds, which use, if it had been reasonably expected on the date of issuance of the Series 2009C Bonds, would have caused the Series 2009C 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 2009C 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 sold pursuant to the same plan of financing and payable from substantially the same source of funds were sold within the period beginning fifteen (15) days before the date of sale of the Series 2009C Bonds and ending fifteen (15) days after such date of sale.

(b) The Issuer hereby covenants and agrees to determine the Allocable Portion of the Guaranty Fund allocable to the Series 2009C Bonds upon the occurrence of each of the following events:

- (i) upon the date of issuance of the Series 2009C Bonds;
- (ii) when the size of the Guaranty Fund increases as a result of either (A) deposits into the Guaranty Fund, or (B) earnings credited to the Guaranty Fund;
- (iii) when the last bond of any outstanding issue of Special Assessment Bonds is retired; and
- (iv) when new Special 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 2009C Bonds or in Tax-Exempt Obligations. For this purpose, proceeds of and yield on the Series 2009C Bonds shall be based upon the first price at which a substantial amount (not less than 10%) of the principal amount of the Series 2009C 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 2009C 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 2009C 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 Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court) (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 2009C Bonds comprised of the total settlement amount of \$396,000 and make the required arbitrage rebate payments to the federal government from the earnings from said Gross Proceeds of the Series 2009C 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 2009C 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 2009C Bonds on all “Nonpurpose Investments” (including gains on the disposition of such obligations) in which Gross Proceeds of the Series 2009C 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 2009C 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 twenty-nine (29) days after the fifth anniversary of the date of issuance of the Series 2009C 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 ninety percent (90%) of the Excess Earnings computed as of the anniversary of the date of issuance of the Series 2009C Bonds nearest to the date of payment. Payment of the last installment shall be made not later than sixty (60) days after the date on which the last Series 2009C Bond has been discharged, in an amount which, when added to all prior installments, equals one hundred percent (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 2009C 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 2009C Bond, adequate records with respect to the Series 2009C 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 2009C 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 2009C Bonds and on the date of the retirement of the last Series 2009C 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 2009C 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 2009C 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 2009C 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 2009C 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 2009C Bonds in order to preserve the excludability of interest on the Series 2009C Bonds from gross income for federal income tax purposes.

Section 4.12 [Nondesignation of Series 2009C Bonds]. The Issuer has not designated the Series 2009C Bonds, and the Series 2009C 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.]

## ARTICLE V

### FORM OF SERIES 2009C BONDS

Section 5.1 Form of Series 2009C Bonds. Each fully registered Series 2009C Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required:



[FORM OF BOND]

Registered

Registered

UNITED STATES OF AMERICA  
STATE OF UTAH  
SALT LAKE CITY, UTAH  
SPECIAL ASSESSMENT BOND, SERIES 2009C  
(SPECIAL ASSESSMENT AREA #C-102145 (SIDEWALK REPLACEMENT) AND  
#C-102146 (LYMAN COURT))

Number R -1

\$396,000

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>
3.89%	September 1, 2019	_____, 2009

Registered Owner: \_\_\_\_\_

Principal Amount: THREE HUNDRED NINETY-SIX THOUSAND AND NO/100 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 March 1, 2009, and thereafter in each year on September 1 and March 1 until payment in full of said Principal Amount. Interest on this Series 2009C 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 2009C Bonds, in which case interest shall accrue from the Original Issue Date identified above, or (b) this Series 2009C 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 2009C Bond, interest is in default, interest shall accrue from the date to which interest has been paid. Except as described in the subsequent sentence, principal of and premium, if any, on this Series 2009C 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 mandatory sinking fund payments and 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. Principal payments due to mandatory sinking fund redemption may be noted on the Record of Principal Payments attached hereto and, upon signature of an authorized officer of the Registered Owner, the principal amount of this Series 2009C Bond shall be reduced by the payment of principal thereof on the dates and in the amounts indicated on such Record of Principal Payments without the surrender of the Series 2009C Bond to the Paying Agent.

This Series 2009C Bond is one of the Special Assessment Bonds of the Issuer (the "Series 2009C Bonds") limited to the aggregate principal amount of \$396,000 issued under and by virtue of the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended (the "Act"), and under and pursuant to a resolution of the Issuer adopted on December 1, 2009 (the "Bond Resolution"), for the purpose of (a) reimbursing the Issuer for costs advanced for installing concrete sidewalk, pavement, storm drainage, and water main improvements and all other miscellaneous work necessary to complete the improvements in a proper workmanlike manner (the "Improvements"), and (b) paying issuance expenses incurred in connection with the issuance of the Series 2009C Bonds.

U.S. Bank National Association is the initial bond registrar and paying agent with respect to the Series 2009C 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 2009C Bond and the interest thereon shall be made from, and as security for such payment there is pledged the Special Assessment Fund of the Salt Lake City, Utah Special Assessment Bonds, Series 2009C for the Salt Lake City, Utah Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court) (the "Area"), containing the receipts derived by the Issuer from the regular assessments levied upon the property included in the Area by the Assessment Ordinance adopted by the Issuer, which ordinance became effective on October 7, 2008 (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 2009C Bonds are not subject to optional redemption prior to maturity.]

The Series 2009C Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Redemption Date (September 1)	<u>Principal Amount</u>
2010	\$39,000
2011	40,000
2012	42,000
2013	44,000
2014	45,000
2015	34,000
2016	36,000
2017	37,000
2018	39,000
2019*	40,000

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\* Final Maturity Date

In the event of a mandatory sinking fund redemption necessitating a reduction in aggregate principal amount of any of the Series 2009C Bonds outstanding, a Bondholder in its discretion: (a) may request the Bond Registrar to issue and authenticate a new Series 2009C Bond certificate, or (b) shall make an appropriate notation on the Series 2009C Bond certificate indicating the date and amounts of such redemption in principal, except in the case of final maturity in which case the certificate must be presented to the Paying Agent prior to payment. Should the Bondholder elect to not submit the Series 2009C Bonds for redemption, the Paying Agent's records shall govern in the case of discrepancy with the noted schedule on the Series 2009C Bond, absent manifest error

It is hereby certified that a 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 2009C Bond and until payment thereof in full, said fund shall be at all times maintained as required by ordinance. This Series 2009C Bond is not a general obligation of the Issuer but is payable exclusively out of said Special Assessment Fund and said Guaranty Fund. The Issuer shall not be held liable for the payment of this Series 2009C Bond, except to the extent of the funds created and received from said regular assessments and to the extent of its Guaranty Fund; but the Issuer shall be held responsible for the lawful levy of all regular assessments, for the creation and maintenance of the 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 2009C 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 2009C Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Series 2009C Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Series 2009C 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 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 2009C Bonds are issuable solely in the form of registered bonds without coupons in the denomination of one thousand dollars (\$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 2009C Bond and the issue of Series 2009C 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 2009C Bond exist, have happened and have been performed and that the issue of Series 2009C Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that the aggregate amount of special assessment bonds of the Issuer for the Area, including this Bond, does not exceed the amount authorized by law nor the special assessment levied to cover the cost of Improvements in the Area, and that all of said special assessment has been lawfully levied.

This Series 2009C 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 2009C Bond to be signed in its name and on its behalf by its Mayor and attested by its City Recorder or Deputy City Recorder (the signatures of said Mayor and City Recorder or Deputy City Recorder being by facsimile or manual signature), and has caused its corporate seal or the facsimile of its corporate seal to be impressed or printed hereon, and said officials by the execution hereof adopt as and for their own proper signatures their facsimile signatures appearing on each of the Series 2009C Bonds.

(SEAL)

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

ATTEST:

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

CERTIFICATE OF AUTHENTICATION

This Series 2009C Bond is one of the Salt Lake City, Utah Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145 (Sidewalk Replacement) and #C-102146 (Lyman Court)) 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

RECORD OF PRINCIPAL PAYMENTS

Pursuant to the Series 2009C Bond which has been issued and to which this schedule is attached, the Registered Owner (or its duly authorized agent) certified (as evidenced by the signature in the right-hand column) that the principal amount of the attached Series 2009C Bond has been reduced by payment of the principal thereof on the dates and in the amounts indicated.

<u>Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Signature of</u> <u>Registered Owner</u>
2010	\$39,000	_____
2011	40,000	_____
2012	42,000	_____
2013	44,000	_____
2014	45,000	_____
2015	34,000	_____
2016	36,000	_____
2017	37,000	_____
2018	39,000	_____
2019	40,000	_____

## ARTICLE VII

### MISCELLANEOUS

Section 7.1 Ratification. All proceedings, resolutions, and actions of the Issuer and its officers taken in connection with the sale and issuance of the Series 2009C Bonds are hereby ratified, confirmed, and approved.

Section 7.2 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 7.3 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 7.4 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 7.5 Effective Date. This Bond Resolution shall take effect immediately.

ADOPTED AND APPROVED this December 1, 2009.

(SEAL)

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

ATTEST:

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

PRESENTATION TO THE MAYOR

The foregoing resolution was presented to the Mayor for his approval or disapproval on \_\_\_\_\_, 2009.

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

MAYOR'S APPROVAL OR DISAPPROVAL

The foregoing resolution is hereby approved this \_\_\_\_\_, 2009.

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

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

I, Christine Meeker, do hereby certify that I am the duly qualified and acting 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 December 1, 2009, 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 \_\_\_\_\_, 2009.

(SEAL)

By: \_\_\_\_\_  
  City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Christine Meeker, the undersigned 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 December 1, 2009, 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 \_\_\_\_\_, 2009, 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 \_\_\_\_\_, 2009, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a notice to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>).

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this \_\_\_\_\_, 2009.

(SEAL)

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

SCHEDULE 1

NOTICE OF MEETING



EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. \_\_\_\_\_)

\$396,000

SALT LAKE CITY, UTAH  
SPECIAL ASSESSMENT BONDS, SERIES 2009C  
(SPECIAL ASSESSMENT AREA #C-102145 (SIDEWALK REPLACEMENT)  
#C-102146 (LYMAN COURT))

Bond Purchase Agreement

December 1, 2009

Salt Lake City Corporation  
City & County Building  
451 South State Street  
P.O. Box 145462  
Salt Lake City, Utah 84114-5462

The undersigned, JPMorgan Chase Bank, N.A., its successors and assigns (collectively, the "Purchaser"), offers to purchase from Salt Lake City, Utah (the "Issuer"), all (but not less than all) of the \$396,000 Salt Lake City, Utah Special Assessment Bonds, Series 2009C (Special Assessment Area #C-102145 (Sidewalk Replacement), and #C-102146 (Lyman Court)) (the "Bonds") issued with respect to the Salt Lake City, Utah Special Assessment Area #C-102145 (Sidewalk Replacement), and #C-102146 (Lyman Court)) (the "Area") of the Issuer, with delivery and payment at the offices of Ballard Spahr, 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 "Bond Purchase Agreement") on or before 11:59 p.m., Utah time, on the date hereof.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. Exhibit A, which is hereby incorporated by reference into this Bond Purchase Agreement, 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 Bond Purchase Agreement, to adopt the Resolution dated December 1, 2009 (the "Resolution") and the Assessment Ordinance (as defined in the Resolution), and to deliver and sell the Bonds to the Purchaser; (b) this Bond Purchase Agreement, the Resolution, the Assessment Ordinance, 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 Bond 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, the Assessment Ordinance, or this Bond 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 and the Assessment Ordinance, or the execution and delivery of this Bond Purchase Agreement; and (f) the Issuer has the legal right, power, and authority to collect, receive, and pledge the assessments levied by the Assessment Ordinance.

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

(a) From the time of the execution and delivery of this Bond 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) The Resolution;

(iii) The Assessment Ordinance;

(iv) 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 Bond Purchase Agreement delivered to us with respect to the Issuer are true and correct when made and as of the Closing;

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

(vi) The approving opinion of Ballard Spahr, 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;

(vii) The opinion of counsel to the Issuer, satisfactory to the Purchaser, dated the date of Closing and addressed to the Purchaser;

(viii) 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 Issuer, counsel to the Purchaser, financial advisor, and Bond Counsel and the cost of preparing and printing the Bonds.

5. This Bond 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 Bond 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, or 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,

JPMORGAN CHASE BANK, N.A.

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

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

(SEAL)

ACCEPTED ON BEHALF OF:

SALT LAKE CITY, UTAH

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

ATTEST AND COUNTERSIGN:

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

EXHIBIT A

DESCRIPTION OF BONDS

1. Issue Size: \$396,000
2. Purchase Price: \$ \_\_\_\_\_
3. Purchaser's Fee: \$ \_\_\_\_\_
4. Accrued Interest: \$ \_\_\_\_\_
5. Interest Payment Dates: March 1, September 1
6. Interest Rate: 3.89% per annum
7. Maturity Date: September 1, 2019
8. Dated Date: Initial delivery date of Bonds
9. Form: Registered Bonds
10. Closing Date: December 10, 2009, or other date acceptable to Issuer and Purchaser
11. Redemption: The Bonds are subject to mandatory sinking fund redemption as described in 12 below.
12. Mandatory Sinking Fund Redemption.

<u>Redemption Date</u> <u>(September 1)</u>	<u>Amount</u>
2010	\$39,000
2011	40,000
2012	42,000
2013	44,000
2014	45,000
2015	34,000
2016	36,000
2017	37,000
2018	39,000
2019*	40,000

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\* Final maturity