

MARINA SCOTT  
CITY TREASURER

# SALT LAKE CITY CORPORATION

DEPARTMENT OF FINANCE  
TREASURER'S DIVISION



SCANNED TO: Mayor  
SCANNED BY: Rachel  
DATE: 5-29-14

## CITY COUNCIL TRANSMITTAL

  
David Everitt, Chief of Staff

Date Received: 5/29/2014  
Date sent to Council: 5/30/2014

TO: Salt Lake City Council  
Charlie Luke, Chair

DATE: May 29, 2014

FROM: Elwin Heilmann, Acting Finance Director



SUBJECT: Salt Lake City Motor Fuel Excise Tax Revenue Bonds, Series 2014 (1300 South and 1700 South Projects)

STAFF CONTACT: Marina Scott, City Treasurer 801-535-6565

COUNCIL SPONSOR: Exempt

DOCUMENT TYPE: Briefing

**RECOMMENDATION:** 1) That the City Council hold a discussion on June 10, 2014 in anticipation of adopting a Bond Parameters Resolution for the aforementioned bond issue; 2) That the City Council adopt a Bond Parameters Resolution on June 10, 2014. The Parameters Resolution will: a) authorize a *Notice of Public Hearing* to be published twice prior to the date set for the public hearing; and b) set July 15, 2014 as the date to hold the public hearing.

**BUDGET IMPACT:** Based on preliminary estimates and the current interest rate environment, annual debt service costs would average \$978,000 per year for 10 years for the aforementioned bond issue. Attached is a preliminary numbers run including estimated sources and uses of funds as well as debt amortization schedules.

### BACKGROUND/DISCUSSION:

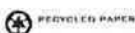
In October of 2013, the City Council approved Resolution 49 of 213, allocating CIP, Class C and Impact Fee funding that previously been appropriated by the Council as part of the FY 2013 – 14 budget. Later, in budget amendment # 2 the City Council approved a number of road repair/reconstruction projects with the intent of financing these projects by issuing class C Road bonds. The following projects were approved:

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

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

TELEPHONE: 801-535-7946 FAX: 801-535-6082

WWW.SLCGOV.COM



- 1300 South Reconstruction, Phase 1- (State Street to East side of 400 W) – to replace concrete pavement, deteriorated sidewalks and ADA ramps. - \$3,400,000
- 1300 South Reconstruction, Phase 2 – (State Street to 500 W) to incorporate complete streets and pedestrian safety improvements and remaining roadwork. - \$1,600,000
- 1700 South (State Street to 700 East) – to replace asphalt pavement with concrete pavement, replace curb, gutter, deteriorated sidewalk, ADA ramps and install water main - \$3,250,000

The bonds will be designated as Motor Fuel Excise Tax Revenue Bonds, Series 2014. This type of bonds may be issued pledging Class C Road revenues only for 10 years, and will not utilize the sales and excise tax revenue bond capacity of the City.

In accordance with provisions of the Local Government Bonding Act, the City is required to hold a public hearing to receive input from the public. The financing team is requesting that the City Council approve a motion on June 10, 2014 setting Tuesday, July 15, 2014 as the date to hold the public hearing. A *Notice of Public Hearing* is required to be published once a week for two consecutive weeks, with the first publication being at least 14 days prior to the date set for the public hearing.

Attached are draft copies of the Parameters Resolution, Notice of Bonds to Be Issued, Notice of Public Hearing, Master Indenture, First Supplemental Indenture, Certificate of Determination and Bond Resolution. The Parameters Resolution is scheduled for adoption on June 10, 2014 while the Bond Resolution will be scheduled for adoption on July 22, 2014.

Please use the attached Agenda and Motion language provided by Bond Counsel immediately following this Transmittal. Also, as previously mentioned, a draft copy of the Bond Resolution and most of its attachments are included for your review. Please keep in mind that these are preliminary drafts and are subject to change.

**Unlike other bonding actions where documents need to be signed the evening of Council action to lock in rates, the Mayor and Council Chair will have until June 11, 2014 at the latest to sign the Parameters Resolution.**

Attachments

cc: Gina Chamness, Boyd Ferguson, Gordon Hoskins, Joseph Moratalla, Jeff Snelling

**Salt Lake City Council**  
Agenda Item for June 10, 2014

UNFINISHED BUSINESS:

**Suggested Agenda Language** relating to the parameters resolution for the motor fuel excise tax revenue bonds to be considered by the City Council at its meeting on June 10, 2014:

Resolution: Authorizing the Issuance and Sale of Motor Fuel Excise Tax Revenue Bonds

- a. Consider adopting a parameters resolution authorizing the issuance and sale of up to \$10,000,000 aggregate principal amount of the City's motor fuel excise tax revenue bonds to finance a portion of the cost of constructing, repairing and maintaining streets and roads within the City and providing for related matters.
- b. Set the date of Tuesday, July 15, 2014 at 7:00 p.m. to receive input from the public with respect to the issuance of the City's motor fuel excise tax bonds to finance a portion of the cost of constructing, repairing and maintaining streets and roads within the City and the potential economic impact that such projects will have on the private sector.

Staff Recommendation: Adopt the resolution and set the date.

**Suggested Motion Language** is as follows:

I move that the City Council (a) adopt the parameters resolution that authorizes up to \$10,000,000 aggregate principal amount of the City's motor fuel excise tax revenue bonds and provides for related matters and (b) set the date for the related public hearing for Tuesday, July 15, 2014 at 7:00 p.m.

**Suggested Agenda Language** relating to the public hearing for the motor fuel excise tax revenue bonds to be held by the City Council at its meeting on July 15, 2014:

Resolution: Authorizing the Issuance and Sale of Motor Fuel Excise Tax Revenue Bonds

Public Hearing: Receive input from the public with respect to the issuance of the City's motor fuel excise tax revenue bonds to finance a portion of the cost of constructing, repairing and maintaining streets and roads within the City and the potential economic impact that such projects will have on the private sector.

Staff Recommendation: Close hearing and refer to July 22, 2014.

**Suggested Agenda Language** relating to the delegating bond resolution for the motor fuel excise tax revenue bonds to be considered by the City Council at its meeting on July 22, 2014:

Resolution: Authorizing the Issuance and Sale of Motor Fuel Excise Tax Revenue Bonds

Consider adopting a delegating bond resolution authorizing the issuance and sale of up to \$10,000,000 aggregate principal amount of the City's motor fuel excise tax revenue bonds to finance a portion of the cost of constructing, repairing and maintaining streets and roads within the City; delegating authority to certain officials and officers of the City to approve the final terms and provisions of such bonds; and providing for related matters.

Staff Recommendation: Adopt the resolution.

**Suggested Motion Language** is as follows:

I move that the City Council adopt the delegating bond resolution that authorizes the City's motor fuel excise tax revenue bonds to finance a portion of the cost of constructing, repairing and maintaining streets and roads within the City and provides for related matters.



\$8,805,000

Preliminary

Salt Lake City, Utah

B&C Road Bonds, Series 2014

## Sources & Uses

Dated 08/20/2014 | Delivered 08/20/2014

### *Sources Of Funds*

Par Amount of Bonds	\$8,805,000.00
<b>Total Sources</b>	<b>\$8,805,000.00</b>

### *Uses Of Funds*

Costs of Issuance	53,250.00
Deposit to Project Construction Fund	8,750,000.00
Rounding Amount	1,750.00
<b>Total Uses</b>	<b>\$8,805,000.00</b>



\$8,805,000

Preliminary

Salt Lake City, Utah

B&C Road Bonds, Series 2014

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/20/2014	-	-	-	-	-
04/01/2015	865,000.00	2.110%	114,051.65	979,051.65	979,051.65
10/01/2015	-	-	83,767.00	83,767.00	-
04/01/2016	810,000.00	2.110%	83,767.00	893,767.00	977,534.00
10/01/2016	-	-	75,221.50	75,221.50	-
04/01/2017	825,000.00	2.110%	75,221.50	900,221.50	975,443.00
10/01/2017	-	-	66,517.75	66,517.75	-
04/01/2018	845,000.00	2.110%	66,517.75	911,517.75	978,035.50
10/01/2018	-	-	57,603.00	57,603.00	-
04/01/2019	865,000.00	2.110%	57,603.00	922,603.00	980,206.00
10/01/2019	-	-	48,477.25	48,477.25	-
04/01/2020	880,000.00	2.110%	48,477.25	928,477.25	976,954.50
10/01/2020	-	-	39,193.25	39,193.25	-
04/01/2021	900,000.00	2.110%	39,193.25	939,193.25	978,386.50
10/01/2021	-	-	29,698.25	29,698.25	-
04/01/2022	920,000.00	2.110%	29,698.25	949,698.25	979,396.50
10/01/2022	-	-	19,992.25	19,992.25	-
04/01/2023	940,000.00	2.110%	19,992.25	959,992.25	979,984.50
10/01/2023	-	-	10,075.25	10,075.25	-
04/01/2024	955,000.00	2.110%	10,075.25	965,075.25	975,150.50
<b>Total</b>	<b>\$8,805,000.00</b>	<b>-</b>	<b>\$975,142.65</b>	<b>\$9,780,142.65</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$46,215.29
Average Life	5.249 Years
Average Coupon	2.1100000%
Net Interest Cost (NIC)	2.1100000%
True Interest Cost (TIC)	2.1096851%
Bond Yield for Arbitrage Purposes	2.1096851%
All Inclusive Cost (AIC)	2.2344987%

### IRS Form 8038

Net Interest Cost	2.1100000%
Weighted Average Maturity	5.249 Years

2014 B&C Road Bonds, 05.2 | SINGLE PURPOSE | 5/29/2014 | 3:24 PM

**RESOLUTION NO. \_\_\_\_ OF 2014**

A Resolution authorizing the issuance and sale of up to \$10,000,000 aggregate principal amount of Motor Fuel Excise Tax Revenue Bonds of Salt Lake City, Utah; fixing the maximum aggregate principal amount of the bonds, the maximum number of years over which the bonds may mature and the maximum interest rate that the bonds may bear; providing for the publication of a Notice of Bonds to be Issued; providing for the running of a contest period; authorizing the circulation of the Preliminary Official Statement with respect thereto; providing for the publication of a Notice of Public Hearing and the holding of a public hearing; expressing official intent regarding certain capital expenditures to be reimbursed from proceeds of such bonds; and providing for related matters.

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

WHEREAS, the City Council (the “*Council*”) of Salt Lake City, Utah (the “*City*”) considers it desirable and necessary and for the benefit of the City to issue up to \$10,000,000 principal amount of Motor Fuel Excise Tax Revenue Bonds (the “*Bonds*”) for the purpose of (a) financing a portion of the cost of constructing, repairing and maintaining street and roads within the City’s boundaries (the “*Project*”), (b) funding any necessary reserves and contingencies in connection with the Bonds, and (c) paying the costs incurred in connection with the issuance and sale of the Bonds;

WHEREAS, pursuant to the applicable provisions of Chapter 14 of Title 11 and Section 72-2-108 (collectively, the “*Act*”) of the Utah Code Annotated 1953, as amended (the “*Utah Code*”), the City has the authority to issue the Bonds for the foregoing purposes;

WHEREAS, Section 11-14-316 of the Utah Code provides for the publication of a Notice of Bonds to be Issued (the “*Notice of Bonds*”) and the running of a 30-day contest period, and the City desires to cause the publication of such Notice of Bonds at this time in compliance with said section with respect to the Bonds;

WHEREAS, Section 11-14-318 of the Act requires that a public hearing be held to receive input from the public with respect to the issuance of Bonds and the potential economic impact that the Project will have on the private sector and that notice of such public hearing be given as provided by law and, in satisfaction of such requirement, the City desires to publish a Notice of Public Hearing and Intent to Issue Motor Fuel Excise Tax Revenue Bonds (the “*Notice of Public Hearing*”) pursuant to such Section;

WHEREAS, Section 11-14-307(7) of the Act requires the City to submit the question of whether or not to issue the Bonds to voters for their approval or rejection if, within 30 calendar days after the publication of the Notice of Public Hearing, a written petition requesting an election and signed by at least 20% of the registered voters in the City is filed with the City; and

WHEREAS, a portion of the expenditures relating to the Project (the “*Expenditures*”) (i) have been paid from the City’s [Capital Improvement Program] Fund (the “*Fund*”) within the 60 days prior to the passage of this Resolution or (ii) will be paid from the Fund on or after the passage of this Resolution and prior to the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

*Section 1. Bonds Authorized; Purpose.* The Council hereby finds and determines that it is in the best interests of the residents of the City for the City to issue the Bonds in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000), to bear interest at a rate or rates of not to exceed five percent (5.00%) per annum, to mature over a period not to exceed ten (10) years from their date or dates, and to be sold at a discount from par not to exceed two percent (2.00%) of the principal amount thereof, pursuant to a resolution to be adopted and approved by the City in substantially the form attached hereto as *Annex 1* (the “*Final Bond Resolution*”), a Master Trust Indenture to be entered into at the time of issuance of the Bonds in substantially the form attached hereto as *Annex 2* (the “*Master Indenture*”), and a First Supplemental Trust Indenture to be entered into at the time of issuance of the Bonds in substantially the form attached hereto as *Annex 3* (the “*First Supplemental*” and, collectively with the Master Indenture, the “*Indenture*”) each between the City and the trustee designated therein. The Bonds shall be subject to such optional and mandatory redemption and other provisions as are contained in the final form of the Bonds and the Indenture. Therefore, the City hereby declares its intention to issue the Bonds according to the provisions of this Resolution, the Final Bond Resolution and the Indenture for the purpose of (a) financing a portion of the cost of the Project, (b) funding all or a part of any necessary reserves and contingencies in connection with the Bonds, and (c) paying all or a part of the costs incurred in connection with the issuance and sale of the Bonds.

*Section 2. Notice of Bonds to be Issued; Contest Period.* In accordance with the provisions of Section 11-14-316 of the Utah Code, the City Recorder or any Deputy City Recorder shall cause the Notice of Bonds, in substantially the form attached hereto as *Annex 4*, to be published one time in *The Salt Lake Tribune* and the *Deseret News*, newspapers having general circulation within the City.

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

*Section 3. Public Hearing.* In satisfaction of the requirements of Section 11-14-318 of the Act, a public hearing shall be held by the Council on Tuesday, July 15, 2014, during the Council meeting which begins at 7:00 p.m., at the regular meeting place of the Council in the

Council Chambers, Room 315 in the City and County Building, 451 South State Street, in Salt Lake City, Utah, to receive input from the public with respect to the issuance by the City of the Bonds and the potential economic impact that the Project will have on the private sector.

*Section 4. Publication of Notice of Public Hearing.* The City Recorder or any Deputy City Recorder (the “*City Recorder*”) shall publish or cause to be published the Notice of Public Hearing in *The Salt Lake Tribune* and the *Deseret News*, newspapers having general circulation in Salt Lake City, Utah, and in which notices relative to the City are customarily published. Such notice shall be published once a week for two consecutive weeks, with the first publication being at least 14 days prior to the date set for the public hearing. The Notice of Public Hearing shall be in substantially the form attached hereto as *Annex 5*.

*Section 5. Form of Petition.* The form of the petition to be used by registered voters in requesting that an election be called to authorize the Bonds shall be in substantially the form attached hereto as *Annex 6*.

*Section 6. City Recorder to Perform Certain Acts.* The City Recorder is hereby directed to maintain a copy of this Resolution (together with all annexes hereto), the forms of the Final Bond Resolution, the Master Indenture and the First Supplemental on file in the City Recorder’s office during regular business hours for public examination by registered voters of the City and other interested persons until at least thirty (30) days from and after the date of publication of the Notice of Bonds. The City Recorder is hereby directed to, upon request, supply copies of the form of petition specified in Section 5 hereof.

*Section 7. Preparation and Distribution of a Preliminary Official Statement.* If deemed desirable, the preparation and distribution of a Preliminary Official Statement for the Bonds in connection with the sale thereof is hereby authorized.

*Section 8. Reimbursement of Expenditures.* The City reasonably expects to reimburse the Expenditures with proceeds of the Bonds.

*Section 9. Severability.* It is hereby declared that all parts of this Resolution are severable, and if any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Resolution.

*Section 10. Repealer.* All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

*Section 11. Effective Immediately.* This Resolution shall take effect immediately upon its adoption.

*(Signature page follows.)*

ADOPTED AND APPROVED this 10th day of June, 2014.

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

\_\_\_\_\_  
Chair  
Salt Lake City Council

[SEAL]

ATTEST:

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

APPROVED:

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

APPROVED AS TO FORM:

By Boyd Fergu  
Senior City Attorney

## **ANNEX 1**

**[ATTACH FORM OF FINAL BOND RESOLUTION]**

## **ANNEX 2**

**[ATTACH FORM OF MASTER TRUST INDENTURE]**

**ANNEX 3**

**[ATTACH FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE]**

## ANNEX 4

### NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-14-316, Utah Code Annotated 1953, as amended, that on June 10, 2014, the City Council (the “*Council*”) of Salt Lake City, Utah (the “*City*”), adopted a resolution (the “*Resolution*”) in which it authorized and approved the issuance of its Motor Fuel Excise Tax Revenue Bonds (the “*Bonds*”), in an aggregate principal amount of not to exceed \$10,000,000, to bear interest at a rate or rates of not to exceed 5.00% per annum and to mature not later than 10 years from their date or dates and to be sold at a discount from par not to exceed 2.00%. The Bonds shall be subject to such optional and mandatory redemption and other provisions as are contained in the final forms of a Master Trust Indenture, described below, a First Supplemental Trust Indenture, described below, and the Bonds.

Pursuant to the Resolution, the Bonds are to be issued for the purpose of (a) financing a portion of the cost of constructing, repairing and maintaining streets and roads within the City’s boundaries (the “*Project*”), (b) funding any necessary reserves and contingencies in connection with the Bonds, and (c) paying the costs incurred in connection with the issuance and sale of the Bonds. The Bonds are to be issued and sold by the City pursuant to the Resolution, including as part of the Resolution a draft, in substantially final form, of a final bond resolution, a Master Trust Indenture and a First Supplemental Trust Indenture that were before the Council and attached to the Resolution at the time of the adoption of the Resolution. The Council will adopt the final bond resolution and the City will cause the Master Trust Indenture and the First Supplemental Trust Indenture to be executed and delivered, in each case in such form and with such changes thereto as the Mayor shall approve, *provided* that the principal amount, interest rate or rates, maturity and discount, if any, will not exceed the respective maximums described above.

The repayment of the Bonds will be secured by a pledge of the legally available revenues from those funds received by the City from the State Transportation Fund pursuant to Sections 72-2-107 and 72-2-108 of the Utah Code Annotated, 1953, as amended (collectively, the “*Pledged Taxes*”).

The City currently has no bonds or notes outstanding that are secured by the Pledged Taxes. More detailed information relating to the City’s outstanding bonds can be found in the City’s most recent Comprehensive Annual Financial Report that is available on the Office of the Utah State Auditor’s website ([www.sao.state.ut.us](http://www.sao.state.ut.us)).

Assuming a final maturity for the Bonds of 10 years from the date hereof and that the Bonds are issued in an aggregate principal amount of \$10,000,000 and are held until maturity, based on the City’s currently expected financing structure and interest rates in effect around the time of publication of this notice, the estimated total cost to the City of the proposed Bonds is \$\_\_\_\_\_.

A copy of the Resolution (including the drafts of the final bond resolution, the Master Trust Indenture and the First Supplemental Trust Indenture attached to the Resolution) is on file in the office of the City Recorder, located in Room 415, City and County Building, 451 South State Street, in Salt Lake City, Utah, where the Resolution may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. The Resolution shall be so available for inspection for a period of at least thirty (30) days from and after the date of the publication of this notice.

NOTICE IS FURTHER GIVEN that, pursuant to law, for a period of thirty (30) days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the Resolution (including the final bond resolution, the Master Trust Indenture and the First Supplemental Trust Indenture attached thereto) of the City or the Bonds authorized thereby or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of the Resolution, the Bonds or any provisions made for their security and payment for any cause.

DATED this 10th day of June, 2014.

SALT LAKE CITY, UTAH

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

[SEAL]

## **ANNEX 5**

### **SALT LAKE CITY, UTAH NOTICE OF PUBLIC HEARING AND INTENT TO ISSUE MOTOR FUEL EXCISE TAX REVENUE BONDS**

PUBLIC NOTICE IS HEREBY GIVEN that on June \_\_, 2014, the City Council (the "*Council*") of Salt Lake City, Utah (the "*City*"), adopted a resolution (the "*Resolution*"), calling a public hearing to receive input from the public with respect to the issuance of its Motor Fuel Excise Tax Revenue Bonds (the "*Bonds*") to finance a portion of the cost of constructing, repairing and maintaining streets and roads within the City's boundaries (the "*Project*") and the potential economic impact that the Project will have on the private sector, pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "*Act*").

#### **PURPOSE FOR ISSUING BONDS**

The City intends to issue the Bonds for the purpose of (1) financing all or a portion of the costs of the Project, (2) funding any necessary reserves and contingencies in connection with the Bonds, and (3) paying the costs incurred in connection with the issuance and sale of the Bonds.

#### **MAXIMUM PRINCIPAL AMOUNT OF THE BONDS**

The City intends to issue the Bonds in an aggregate principal amount not exceeding \$10,000,000.

#### **SALES TAXES PROPOSED TO BE PLEDGED**

The City proposes to pledge to the payment of the Bonds all of the legally available revenues from those funds received by the City from the State Transportation Fund pursuant to Sections 72-2-107 and 72-2-108 of the Utah Code Annotated, 1953, as amended.

#### **TIME, PLACE AND LOCATION OF PUBLIC HEARING**

The City will hold a public hearing during its City Council meeting which begins at 7:00 p.m. on July 15, 2014. The public hearing will be held at the regular meeting place of the Council in the Council Chambers, Room 315 in the City and County Building, 451 South State Street, in Salt Lake City, Utah. All members of the public are invited to attend and participate in the public hearing. Written comments may be submitted to the City, to the attention of the City Recorder, prior to the public hearing.

## PURPOSE FOR HEARING

The purpose of the hearing is to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the Project will have on the private sector.

## NOTICE OF RIGHT TO FILE PETITION TO HOLD AN ELECTION

NOTICE IS FURTHER GIVEN that pursuant to Section 11-14-307(7), Utah Code, if within 30 calendar days of the final publication of this notice on \_\_\_\_\_, 2014, a written petition requesting an election and signed by at least twenty percent (20%) of the registered voters of the City is filed with the City, then the City shall submit the question of whether or not to issue the Bonds to the voters of the City for their approval or rejection.

If no written petition is filed or if fewer than 20% of the registered voters of the City sign a written petition, in either case, within 30 calendar days of the final publication of this notice on \_\_\_\_\_, 2014, the City may proceed to issue the Bonds without an election.

SALT LAKE CITY, UTAH

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

## **ANNEX 6**

### **PETITION**

To: City Recorder  
Salt Lake City, Utah

We, the undersigned citizens and registered voters of Salt Lake City, Utah, respectfully request that an election be called by the City Council of Salt Lake City, Utah, pursuant to the provisions of Section 11-14-307(7), Utah Code Annotated 1953, as amended, to authorize the issuance by Salt Lake City, Utah, of its Motor Fuel Excise Tax Revenue bonds, in a maximum principal amount not exceeding \$10,000,000, as to which notice of intention to issue was published on \_\_\_\_\_, 2014 and \_\_\_\_\_, 2014, in *The Salt Lake Tribune* and the *Deseret News* pursuant to the provisions of a resolution passed by the City Council of Salt Lake City, Utah, at a regular meeting of the City Council held on June \_\_, 2014, and each for himself or herself says: I have personally signed this petition; I am a registered voter of Salt Lake City, Utah; my residence and post office address are correctly written after my name:

It is a felony for any one to sign any initiative or referendum petition with any other name than one's own, or knowingly to sign one's name more than once for the same measure, or to sign such petition when one knows that he or she is not a registered voter.

2014 Class C Parameters Resolution

[The following certification shall appear on the reverse side of each page  
attached to the Petition containing the signature of voters]

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

I, \_\_\_\_\_, of \_\_\_\_\_, hereby certify that I am  
a registered voter of Salt Lake City, Utah, that all the names which appear on this sheet were  
signed by persons who professed to be the persons whose names appear thereon, and each of  
them signed his or her name thereto in my presence, I believe that each has printed and signed  
his or her name, and written his or her post office address and residence correctly, and that each  
signer is a registered voter of Salt Lake City, Utah.

\_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public (or other official title)

**RESOLUTION NO. \_\_\_\_ OF 2014**

A Resolution authorizing the issuance and the sale of not to exceed \$10,000,000 aggregate principal amount of Motor Fuel Excise Tax Revenue Bonds for the purpose of financing a portion of the costs of constructing, repairing and maintaining streets and roads; authorizing the execution and delivery of a Master Trust Indenture and a First Supplemental Trust Indenture to secure said bonds; giving authority to certain officials and officers to approve the final terms and provisions of the bonds within the parameters set forth herein; authorizing the taking of all other actions necessary for the consummation of the transactions contemplated by this resolution; and related matters.

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

WHEREAS, Salt Lake City, Utah (the “*City*”) is a duly organized and existing city of the first class, operating under the general laws of the State of Utah (the “*State*”);

WHEREAS, the City considers it necessary and desirable and for the benefit of the City to issue its motor fuel excise tax revenue bonds as hereinafter provided for the purpose of (a) financing a portion of the cost of constructing, repairing and maintaining streets and roads within the City’s boundaries (the “*Series 2014 Project*”), (b) funding any necessary reserves and contingencies in connection with the Bonds, and (c) paying the costs incurred in connection with the issuance and sale of the Bonds pursuant to authority contained in the Local Government Bonding Act, Chapter 14 of Title 11 and Section 72-2-108 (collectively, the “*Act*”), each of the Utah Code Annotated 1953, as amended (the “*Utah Code*”), and other applicable provisions of law;

WHEREAS, for the purposes set forth above, the City has determined (a) to issue its Motor Fuel Excise Tax Revenue Bonds in an aggregate principal amount not to exceed \$10,000,000 (the “*Series 2014 Bonds*”) (subject to the further limitations outlined herein) pursuant to a Master Trust Indenture (the “*Master Indenture*”) and a First Supplemental Trust Indenture (the “*First Supplemental Indenture*”), each between the City and Zions First National Bank, as trustee (the “*Trustee*”) (the Master Indenture and the First Supplemental Indenture are sometimes collectively referred to hereinafter as the “*Indenture*”), and (b) to cause the proceeds of the sale of the Series 2014 Bonds to be applied in accordance with the Indenture;

WHEREAS, the City is authorized by the Utah Code to construct, repair and maintain the Series 2014 Project, to enter into the Master Indenture and First Supplemental Indenture, and to issue the Series 2014 Bonds to finance a portion of the cost of constructing, repairing and maintaining the Series 2014 Project, to fund any necessary reserves, and to pay all related costs authorized by law;

WHEREAS, in satisfaction of the requirements to Section 11-14-318 of the Utah Code, the City, on Tuesday, July 15, 2014, held a public hearing after due notice thereof to receive input from the public with respect to the issuance of the Series 2014 Bonds and the potential economic impact that the Series 2014 Project will have on the private sector;

WHEREAS, no written petition requesting an election with respect to the issuance of the Series 2014 Bonds has been filed with the City since \_\_\_\_\_, 2014, as permitted by Section 11-14-307(7) of the Utah Code;

WHEREAS, the City Council of the City adopted a resolution on June \_\_, 2014 (the "*Parameters Resolution*"), approving the issuance of the Series 2014 Bonds, calling for the publication of a "*Notice of Bonds to be Issued*," and setting certain parameters for the Series 2014 Bonds;

WHEREAS, the *Notice of Bonds to be Issued* was published pursuant to the Parameters Resolution on \_\_\_\_\_, 2014, in *The Salt Lake Tribune* and the *Deseret News*, newspapers having general circulation in the City;

WHEREAS, no action contesting the legality of the Series 2014 Bonds has been filed to the date hereof, as permitted by Section 11-14-316 of the Utah Code; and

WHEREAS, in the opinion of the City, it is in the best interests of the City that the Designated Officers (defined below) be authorized to approve the final terms and provisions relating to the Series 2014 Bonds and to execute the Certificate of Determination (defined below) containing such terms and provisions;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

*Section 1. Issuance of Bonds.* (a) For the purposes set forth above, there is hereby authorized and directed the execution, issuance, sale and delivery of the Series 2014 Bonds in the aggregate principal amount not to exceed \$10,000,000. The Series 2014 Bonds shall be dated as of the date of the initial delivery thereof. The Series 2014 Bonds shall be in authorized denominations, shall be payable, and shall be executed and delivered all as provided in the Indenture. The Series 2014 Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

(b) The form of the Series 2014 Bonds set forth in the form First Supplemental Indenture, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture, is hereby approved.

(c) The Series 2014 Bonds shall be special obligations of the City, payable from and secured by a pledge and assignment of the Revenues (as defined in the Indenture) received by the City and of certain other moneys held under the Indenture on a parity with any other Bonds (as defined in the Indenture) issued from time to time under the Master Indenture. The Series 2014 Bonds shall not be obligations of the State or any other political subdivision thereof, other than

the City, and neither the faith and credit nor the ad valorem taxing or appropriation power of the State or any political subdivision thereof, including the City, is pledged to the payment of the Series 2014 Bonds. The Series 2014 Bonds shall not constitute general obligations of the City or any other entity or body, municipal, state or otherwise.

*Section 2. Series 2014 Bond Details; Delegation of Authority.* (a) The Series 2014 Bonds shall mature on \_\_\_\_\_ of the years and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the Closing Date, payable semiannually on \_\_\_\_\_ and \_\_\_\_\_ of each year, and at the rates per annum and commencing on the dates, all as provided in that certain Certificate of Determination, a form of which is attached hereto as *Exhibit C*, of the Designated Officers delivered pursuant to this Section 2, setting forth certain terms and provisions of the Series 2014 Bonds (the “*Certificate of Determination*”).

(b) There is hereby delegated to the Designated Officers, subject to the limitations contained in this resolution and the Parameters Resolution, the power to determine and effectuate the following with respect to the Series 2014 Bonds and the Designated Officers are hereby authorized to make such determinations and effectuations:

(i) the principal amount of each series of the Series 2014 Bonds necessary to accomplish the purpose of the Series 2014 Bonds set forth in the recitals hereto and the aggregate principal amount of each series of the Series 2014 Bonds to be executed and delivered pursuant to the Indenture; *provided* that the aggregate principal amount of the Series 2014 Bonds shall not exceed Ten Million Dollars (\$10,000,000);

(ii) the maturity date or dates and principal amount of each maturity of the Series 2014 Bonds to be issued; *provided, however*, that the Series 2014 Bonds mature over a period of not to exceed ten (10) years from their date or dates;

(iii) the interest rate or rates of the Series 2014 Bonds and the date on which payment of such interest commences, *provided, however*, that the interest rate or rates to be borne by any Series 2014 Bond shall not exceed five percent (5.00%) per annum;

(iv) the sale of the Series 2014 Bonds and the purchase price to be paid by the purchaser or underwriter of such Series 2014 Bonds; *provided, however*, that the discount from par of each series of the Series 2014 Bonds shall not exceed two percent (2.00%) (expressed as a percentage of the principal amount);

(v) the Series 2014 Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts thereof;

(vi) the time and redemption price at which the Series 2014 Bonds may be called for redemption prior to their maturity at the option of the City; *provided, however*, that the first call date for the Series 2014 Bonds shall not be later than nine years from the dated date of such Series 2014 Bonds;

(vii) the amount of reserves necessary to be maintained in connection with the Series 2014 Bonds, if any;

(viii) the use and deposit of the proceeds of the Series 2014 Bonds; and

(ix) any other provisions deemed advisable by the Designated Officers not materially in conflict with the provisions of this resolution and the Parameters Resolution.

For purposes of this resolution and the Series 2014 Bonds, “*Designated Officers*” means (a) the (i) Mayor of the City, or (ii) in the event of the absence or incapacity of the Mayor, the Mayor’s Chief of Staff, or (iii) in the event of the absence or incapacity of both the Mayor and the Mayor’s Chief of Staff, the City Treasurer or the Debt Manager of the City and (b) (i) the Chair of the City Council; or (ii) in the event of the absence or incapacity of the Chair of the City Council, the Vice Chair of the City Council; or (iii) in the event of the absence or incapacity of both the Chair and Vice Chair of the City Council, any other member of the City Council.

Following the sale of the Series 2014 Bonds, the Designated Officers shall obtain such information as they deem necessary to make such determinations as provided above and shall make such determinations as provided above and shall execute the Certificate of Determination containing such terms and provisions of such series of the Series 2014 Bonds, which execution shall be conclusive evidence of the action or determination of the Designated Officers as to the matters stated therein. The provisions of the Certificate of Determination shall be deemed to be incorporated into this Section 2. [The method of sale of the Series 2014 Bonds shall be determined by the City Treasurer, after consultation with representatives of Lewis Young Robertson & Burningham, the City’s financial advisor.]

*Section 3. Approval and Execution of the Master Indenture and the First Supplemental Indenture.* The Master Indenture and the First Supplemental Indenture, in substantially the forms attached hereto as *Exhibit A* and *Exhibit B*, respectively, are each hereby authorized and approved, and the Mayor or the Deputy Mayor is hereby authorized, empowered and directed to execute and deliver the Master Indenture and the First Supplemental Indenture on behalf of the City, and the City Recorder or any Deputy City Recorder is hereby authorized, empowered and directed to affix to the Master Indenture and the First Supplemental Indenture the seal of the City and to attest such seal and countersign such Master Indenture and First Supplemental Indenture, with such changes to the Master Indenture and the First Supplemental Indenture from the forms attached hereto as are approved by the Mayor or the Deputy Mayor, his execution thereof to constitute conclusive evidence of such approval. The provisions of the Master Indenture and the First Supplemental Indenture, as executed and delivered, are hereby incorporated in and made a part of this resolution. The Master Indenture and the First Supplemental Indenture shall constitute a “system of registration” for all purposes of the Registered Public Obligations Act of Utah.

*Section 4. Other Certificates and Documents Required to Evidence Compliance with Federal Tax and Securities Laws.* Each of the Mayor or the Deputy Mayor, the City Recorder or any Deputy City Recorder and the City Treasurer or the Debt Manager of the City is hereby

authorized and directed to execute such certificates and documents as are required to evidence compliance with the federal laws relating to the tax-exempt status of interest on the Series 2014 Bonds and such other certificates and documents as shall be necessary to comply with the requirements, if any, of Rule 15c2-12 of the Securities and Exchange Commission and other applicable federal securities laws.

*Section 5. Other Actions With Respect to the Series 2014 Bonds.* The officers and employees of the City shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the issuance and sale of the Series 2014 Bonds, including, without limitation, the execution and delivery of any purchase contract or term sheet and any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2014 Bonds. If (a) the Mayor, (b) the City Recorder or (c) the City Treasurer shall be unavailable or unable to execute or attest and countersign, respectively, the Series 2014 Bonds or the other documents that they are hereby authorized to execute, attest and countersign, the same may be executed, or attested and countersigned, respectively, (i) by the Deputy Mayor, (ii) by any Deputy City Recorder or (iii) by the Debt Manager of the City. Without limiting the generality of the foregoing, the officers and employees of the City are authorized and directed to take such action as shall be necessary and appropriate to issue the Series 2014 Bonds.

*Section 6. City Recorder to Perform Certain Acts.* The City Recorder is hereby directed to maintain a copy of this Resolution (together with all exhibits hereto), and the forms of the Master Indenture and the First Supplemental Indenture on file in the City Recorder's office during regular business hours for public examination by registered voters of the City and other interested persons until at least thirty (30) days from and after the date of adoption hereof.

*Section 7. Prior Acts Ratified, Approved and Confirmed.* All acts of the officers and employees of the City in connection with the issuance of the Series 2014 Bonds are hereby ratified, approved and confirmed.

*Section 8. Resolution Irrepealable.* Following the execution and delivery of the First Supplemental Indenture, this resolution shall be and remain irrepealable until all of the Series 2014 Bonds and the interest thereon shall have been fully paid, cancelled, and discharged.

*Section 9. Severability.* If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

*Section 10. Effective Date.* This resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the City Council of Salt Lake City, Utah, this \_\_\_\_ day of \_\_\_\_\_, 2014.

SALT LAKE CITY, UTAH

\_\_\_\_\_  
Chair  
Salt Lake City Council

ATTEST:

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

[SEAL]

APPROVED:

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

APPROVED AS TO FORM:

By Boyd Ferguson  
Senior City Attorney

**EXHIBIT A**

**[ATTACH FORM OF MASTER TRUST INDENTURE]**

**EXHIBIT B**

**[ATTACH FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE]**

**EXHIBIT C**

**[ATTACH FORM OF CERTIFICATE OF DETERMINATION]**

**MASTER TRUST INDENTURE**

**BETWEEN**

**SALT LAKE CITY, UTAH**

**AND**

**ZIONS FIRST NATIONAL BANK,  
AS TRUSTEE**

**DATED AS OF AUGUST 1, 2014**

**PROVIDING FOR THE ISSUANCE OF**

**MOTOR FUEL EXCISE TAX REVENUE BONDS**

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## **MASTER TRUST INDENTURE**

THIS MASTER TRUST INDENTURE, dated as of August 1, 2014, by and between Salt Lake City, Utah, a municipal corporation and political subdivision of the State of Utah (the “*City*”), and Zions First National Bank, a national banking association duly organized and qualified under the laws of the United States to accept and administer the trust hereby created, and having a place of business in Salt Lake City, Utah (the “*Trustee*”):

### **WITNESSETH:**

WHEREAS, the City desires to undertake the construction, repair or maintenance of streets and roads within the City’s boundaries, which the City is authorized by law to construct, repair or maintain and to finance the cost of such construction, repair or maintenance by the issuance of motor fuel excise tax revenue bonds as authorized by law, all payable on a parity as to Revenues of the City as provided herein;

NOW, THEREFORE, the City and the Trustee agree as follows for the benefit of the other and for the benefit of the owners of the Bonds issued pursuant to this Indenture:

### **NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:**

#### **GRANTING CLAUSE**

In order to secure the payment of Principal, Redemption Price and interest on the Bonds and of Repayment Obligations in accordance with their terms and the provisions of the Indenture, and to secure the observance and performance of all the covenants contained herein, in the Bonds and in the Repayment Obligations, the City hereby assigns and pledges to the Trustee and grants to the Trustee a security interest in all right, title and interest of the City in and to (1) the proceeds of sale of the Bonds, (2) the Revenues, and (3) all Funds established or confirmed by the Indenture (except for any Rebate Fund), including the investments, if any, thereof, subject to any required rebate of all or a portion of the earnings on such investments to the United States of America pursuant to the requirements of Section 148(f) of the Code, and all other rights hereinafter granted for the further securing of said Bonds and Repayment Obligations (collectively, the “*Trust Estate*”), subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; such Trust Estate to be held:

FIRST, for the equal and proportionate benefit, security and protection of all Bondholders and all Security Instrument Issuers, without preference, priority or distinction as to security or otherwise of any of the Bonds or Security Instrument Repayment Obligations over any of the others, except as otherwise expressly provided in or permitted by the Indenture, by reason of time of issuance, sale, delivery, maturity or expiration thereof or otherwise for any cause whatsoever; and

SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Issuers, without preference, priority or distinction as to security or otherwise of any Reserve Instrument Repayment Obligations over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever.

PROVIDED, HOWEVER, that if the City, its successors or assigns, shall well and truly pay, or cause to be paid, the Principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, all Security Instrument Repayment Obligations, according to the true intent and meaning thereof and all Reserve Instrument Repayment Obligations, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article XI hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the City, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Revenues are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

## ARTICLE I

### DEFINITIONS, STATUTORY AUTHORITY AND EQUALITY OF BONDS

**Section 1.01. Definitions.** Unless the context otherwise requires, the terms in this Section defined shall, for all purposes of the Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

*“Accountant’s Certificate”* means a certificate signed by an Independent Public Accountant.

*“Accreted Amount”* means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

*“Accrued Debt Service”* means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any Series of Bonds and any related Security Instrument Repayment Obligations, calculating the Debt Service that has accrued with respect to each Series of Bonds and any related Security Instrument Repayment Obligations as an amount equal to the sum of (a) the interest on the Bonds of such Series and on any related Security Instrument Repayment Obligations that has accrued and is unpaid and that will have accrued by the end of the then-current calendar month, and (b) that portion of all Principal Installments payable within the 12-month period following the date of calculation for the Bonds of such Series and on any

related Security Instrument Repayment Obligations that would have accrued, if deemed to accrue in the same manner as interest accrues, by the end of the then current calendar month.

“*Act*” means the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code, Section 72-2-108, Utah Code, to the extent applicable, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code, and the Utah Refunding Bond Act, Chapter 27 of Title 11, Utah Code, and all laws amendatory thereof or supplemental thereto.

“*Agent*” or “*Agents*” means the Trustee, the Paying Agents, any Transfer Agent, any Depositary, or any or all of them, as may be appropriate.

“*Aggregate Debt Service*” means, as of any date of calculation and with respect to any period, the sum of the amounts of Debt Service for (a) all Series of Bonds then Outstanding and (b) any Repayment Obligations then outstanding.

“*Amortized Value*” means par, if an obligation was purchased at par or, when used with respect to an obligation purchased at a premium above par or at a discount below par, means the value as of any given date obtained by dividing the total amount of the premium or discount at which such obligation was purchased by the number of days remaining to the maturity of such obligation on the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since the date of such purchase and: (a) in the case of an obligation purchased at a premium, by subtracting the product thus obtained from the purchase price to obtain Amortized Value, or (b) in the case of an obligation purchased at a discount, by adding the product thus obtained to the purchase price to obtain Amortized Value.

“*Authorized Amount*” means, with respect to a Commercial Paper Program, the maximum principal amount of commercial paper which is then authorized by the City to be outstanding at any one time pursuant to such Commercial Paper Program.

“*Authorized Officer*” means the Mayor, the City Treasurer, the City Recorder and any other person duly authorized to perform the act or sign the document in question.

“*Average Aggregate Debt Service*” means, as of any date of calculation, the sum of the amounts of Aggregate Debt Service for each Fiscal Year during which any Series of Bonds is Outstanding divided by the number of such Fiscal Years; *provided, however*, that for purposes of the debt service coverage test required under Section 11-14-307(4) of the Local Government Bonding Act, the City may exclude from such calculation the Debt Service on any Series of Bonds which are secured, in addition to the pledge of Revenues pursuant to the Indenture, by a pledge of Special Revenues.

“*Balloon Bonds*” means Bonds, other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Holder thereof may be redeemed, during any period of a Year.

“*Bond Service Account*” means the Bond Service Account in the Principal and Interest Fund established in Section 5.03.

“*Bondholder*,” “*Holder*,” “*Owner*” or “*Registered Owner*,” or any similar term, means the owner of any Bond or Bonds. In the case of a fully-registered Bond, Bondholder means the registered owner of such Bond.

“*Bonds*” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture. The term Bonds includes Construction Bonds and Refunding Bonds.

“*Business Day*” means a day of the year which is not a Saturday, Sunday or legal holiday in New York, New York, or a day on which the Trustee, any Depositary and any Security Instrument Issuer are authorized or obligated to close.

“*Calendar Year*” means the period commencing on January 1 of each year and terminating on the next succeeding December 31.

“*Capital Appreciation Bonds*” means Bonds the interest on which (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (b) is payable upon maturity or redemption of such Bonds.

“*City*” means Salt Lake City, Utah, a municipal corporation and political subdivision of the State, and its successors and assigns.

“*City Recorder*” means the City Recorder of the City, or in the event of his or her disability or absence, a Deputy City Recorder or other person duly authorized to perform the duties of the City Recorder.

“*City Treasurer*” means the City Treasurer of the City, or in the event of his or her disability or absence, any acting City Treasurer, the Debt Manager of the City or other person duly authorized to perform the duties of the City Treasurer.

“*Code*” means the Internal Revenue Code of 1986, as amended and supplemented from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to tax-exempt bonds.

“*Commercial Paper Program*” means commercial paper obligations with maturities of not more than one Year from the dates of issuance thereof which are issued and reissued by the City from time to time pursuant to Article II hereof and are outstanding up to an Authorized Amount.

“*Construction Bonds*” means all Bonds, whether issued in one or more Series, authenticated and delivered pursuant to Section 2.03, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to Article III or Section 4.04 or Section 8.06.

*“Construction Fund”* means the fund by that name established in Section 5.03.

*“Cost of Construction”* means the costs of the City properly attributable to the financing, construction, repair or maintenance of streets and roads within the City’s boundaries, which the City is authorized by law to construct, repair or maintain, as identified for a particular Project, and all expenses preliminary and incidental thereto incurred by the City in connection therewith and in the issuance of the Bonds, including all engineering, fiscal and legal expenses and costs of issuance, printing and advertising for which funds may be disbursed from the Construction Fund and the establishment of necessary reserves and payment of interest during construction, including but not limited to:

- (1) Payment of the costs of constructing, repairing or maintaining a Project.
- (2) Payment of the initial or acceptance fee of the Trustee.
- (3) Payment to the City of such amounts, if any, as shall be necessary to reimburse the City in full for advances and payments theretofore made or costs theretofore incurred by the City for any item of Cost of Construction.
- (4) Costs for the obtaining of any insurance policies or surety bonds with respect to a Project by the City during the construction, repair or maintenance of such Project.
- (5) Payment of audit fees and expenses for maintenance of construction records required to be kept with respect to a Project.
- (6) Payment of the costs of any necessary litigation and the obtaining of all necessary permits, licenses and rulings.
- (7) Payment of the costs of issuance of the Bonds including legal, accounting, fiscal agent and underwriting fees and expenses, payments and fees due under any agreement pursuant to which any Series of Bonds is sold, premiums, fees or other charges for or under any Security Instrument or Reserve Instrument, bond discount, printing and engraving costs, and fees of rating agencies, incurred in connection with the authorization, sale and issuance of the Bonds and preparation of the Indenture and Supplemental Indenture pursuant to which the Bonds will be issued.
- (8) Payment of interest on the Bonds estimated to fall due during the period of construction of a Project and for up to twelve (12) months thereafter (or such different period as may then be permitted by law).
- (9) The amount, if any, to be deposited into any Series Subaccount in the Debt Service Reserve Account pursuant to paragraph (10) of Section 2.02(a).
- (10) Working capital determined by the City to be necessary or desirable in connection with a Project and payment of any other costs and expenses relating to a

Project, including fees and expenses of the Trustee during the construction, repair or maintenance of a Project.

“*Council*” means the City Council of the City, or any other governing body of the City hereafter provided for pursuant to law.

“*Cross-over Date*” means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“*Cross-over Refunded Bonds*” means Bonds refunded by Cross-over Refunding Bonds.

“*Cross-over Refunding Bonds*” means Refunding Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“*Current Interest Bonds*” means Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the interest payment dates provided therefor in a Supplemental Indenture.

“*Debt Service*” means, for any particular Fiscal Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of:

(a) all interest (net of any amounts deposited with the Trustee from the proceeds of the sales of a Series of Bonds and any interest subsidy with respect to Bonds paid or payable to or for the account of the City by any governmental body or agency, which are available to pay interest on such Series of Bonds) payable during such Fiscal Year on such Bonds then Outstanding and such Repayment Obligations then outstanding, plus

(b) the Principal Installments payable during such Fiscal Year on (i) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (ii) such Repayment Obligations then outstanding;

*provided, however* that for purposes of Sections 2.02, 2.03 and 2.04,

(1) when calculating the Principal Installments payable during such Fiscal Year, there shall be treated as payable in such Fiscal Year the amount of Principal Installments which would have been payable during such Fiscal Year had the Principal of each Series of Balloon Bonds Outstanding been amortized, from their date of issuance over a period of [10] years, on a level debt service

basis at an interest rate equal to the rate borne by such Balloon Bonds on the date of calculation, *provided* (A) that if the date of calculation is within twelve months before the actual maturity of such Balloon Bonds, the full amount of Principal payable at maturity shall be included in such calculation, and (B) that if there is any Security Instrument Repayment Obligation relating to such Balloon Bonds, the amount of Principal to be taken into account shall be the principal component of such Security Instrument Repayment Obligation;

(2) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate that cannot be ascertained for any particular Fiscal Year, (A) it shall be assumed that such Series of Variable Rate Bonds or Repayment Obligations will bear interest at the average of the variable rates applicable to such Series of Variable Rate Bonds or Repayment Obligations during any consecutive 12-month period during the immediately preceding 24 months (or a shorter period, commencing on the date of issuance of the Series of Variable Rate Bonds or the date of incurring such Repayment Obligations and ending within 30 days prior to the date of computation), or, (B) with respect to any Series of Variable Rate Bonds or Repayment Obligations for which such an average of variable rates cannot be determined, (i) at a rate equal to 110% of the most recent Securities Industry and Financial Markets Association Swap Index theretofore published in *The Bond Buyer*, or (ii) if *The Bond Buyer* is no longer published or no longer publishes the Securities Industry and Financial Markets Association Municipal Swap Index, at a rate certified by the City's financial advisor, underwriter or other agent, including a Remarketing Agent, to be the rate of interest such Series of Variable Rate Bonds or Repayment Obligations would bear if issued on the date of computation in the same amount, with the same maturity or maturities, with the same security, and bearing interest at a variable rate;

(3) when calculating interest payable during such Fiscal Year for any Variable Rate Bonds that are issued with an Interest Rate Swap in which the City has agreed to pay a fixed rate, such Series of Variable Rate Bonds shall be deemed to bear interest at such fixed rate as a result of such Interest Rate Swap; *provided* that such fixed rate may be utilized so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Fiscal Year for any Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the City has agreed to pay a variable rate, such Series of Bonds shall be deemed to be Variable Rate Bonds bearing interest at such variable rate as a result of such Interest Rate Swap; *provided* that such amounts may be utilized only so long as such Interest Rate Swap is contracted to remain in full force and effect;

(5) when calculating interest payable during such Fiscal Year with respect to any Commercial Paper Program, "*Debt Service*" shall mean an amount

equal to the sum of all principal and interest payments that would be payable during such Fiscal Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of [10] years beginning on the date of calculation or the period during which obligations can be issued under such Commercial Paper Program, and bearing interest (A) at an interest rate equal to the average of the interest rates applicable to such Commercial Paper Program during any consecutive 12-month period during the immediately preceding 24 months (or a shorter period, commencing on the date obligations are first issued under the Commercial Paper Program) ending within 30 days prior to the date of computation, or (B) with respect to any Commercial Paper Program for which such an average of the interest rates cannot be determined, (i) at a rate equal to 110% of the most recent Securities Industry and Financial Markets Association Municipal Swap Index theretofore published in *The Bond Buyer*, or (ii) if *The Bond Buyer* is no longer published or no longer publishes the Securities Industry and Financial Markets Association Municipal Swap Index, at an interest rate certified by the City's financial advisor, underwriter or other agent, including a Remarketing Agent, to be the rate of interest that obligations of the Commercial Paper Program would bear if issued on the date of computation in the Authorized Amount, with the same security, bearing interest at a variable rate and maturing over a period of 30 years beginning on the date of calculation; and

(6) when calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the City with respect to such Paired Obligations;

and *further provided, however*, that there shall be excluded from “*Debt Service*” (1) interest on Bonds (whether Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest is available to pay such interest, (2) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, (3) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the City's obligation to pay such Repayment Obligations, and (4) any termination payments with respect to an Interest Rate Swap.

“*Debt Service Reserve Account*” means the Debt Service Reserve Account in the Principal and Interest Fund established in Section 5.03.

“*Debt Service Reserve Requirement*” means, with respect to any Series Subaccount that has been established in the Debt Service Reserve Account, the amount specified in a Supplemental Indenture as being required to be on deposit in such Series Subaccount.

“*Depository*” means any bank or trust company selected by the City as a depository of moneys and securities held under the provisions of the Indenture and may include the Trustee.

“*EMMA*” means the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the Municipal Securities Rulemaking Board for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

“*Escrowed Interest*” means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of Bonds or Cross-over Refunding Bonds secured by such Cross-over Refunding Bonds or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

“*Estimated Completion Date*” means the estimated date upon which a Project will have been substantially completed in accordance with the plans and specifications applicable thereto as that date shall be set forth in a Written Certificate of the City.

“*Event of Default*” has the meaning specified in Section 9.01.

“*Fiscal Year*” means the annual accounting period of the City as from time to time in effect, initially a period commencing on July 1 of each Calendar Year and ending on the next succeeding June 30.

“*Fitch*” means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “*Fitch*” shall be deemed to refer to another nationally recognized securities rating agency, if any, designated by the City.

“*Fund*” means one of the funds confirmed or established pursuant to Section 5.03, including the Construction Fund, the Principal and Interest Fund and the Revenue Fund.

“*Government Obligations*” means:

- (i) Direct obligations of or obligations guaranteed by the United States of America;
- (ii) Any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (i) above; and
- (iii) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (b) which are fully secured as to principal

and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) or clause (ii) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) or clause (ii) above, which have been deposited in such fund along with any cash on deposit in such fund is sufficient to pay interest when due, principal of and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate.

*“Indenture”* means this Master Trust Indenture, as from time to time amended or supplemented by Supplemental Indentures.

*“Independent Public Accountant”* means any certified public accountant or firm of such accountants appointed and paid by the City, and who, or each of whom: (1) is in fact independent and not under domination of the City; (2) does not have any substantial interest, direct or indirect, with the City; and (3) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make annual or other audits of the books of or reports to the City. The Trustee shall be entitled to rely on the written statement of a certified public accountant or firm of such accountants as to his or its compliance with the terms of this definition.

[*“Information Services”* means Financial Information, Inc.’s *“Daily Called Bond Service,”* 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Standard & Poor’s J. J. Kenny’s *“Called Bond Service,”* 55 Water Street, 45th Floor, New York, New York 10041; Mergent’s *“Municipal and Government Manual,”* 60 Madison Avenue, New York, New York 10010, Attention: Customer Service and the Municipal Securities Rulemaking Board, CDI, 1900 Duke Street, Alexandria, Virginia 22314, Attention: MSIL Dept.; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or no such services, as may be designated in a Written Certificate of the City delivered to the Trustee.]{To be updated.}

*“Interest Rate Swap”* means an “interest rate contract” within the meaning of the State Money Management Act or other similar agreement related to Bonds of one or more Series, *provided* that such agreement satisfies the requirements of the State Money Management Act or other applicable provision of State law.

*“Investment Securities”* means any of the following securities, if and to the extent that the same are at the time legal for investment of City funds:

- (i) any investment authorized from time to time by the provisions of the State Money Management Act, including without limitation the Treasurer’s Investment Fund;

(ii) The following investments fully insured by the Federal Deposit Insurance Corporation: (a) certificates of deposit, (b) savings accounts, (c) deposit accounts, or (d) depository receipts of a bank, savings and loan associations and mutual savings banks;

(iii) Certificates of deposit properly secured at all times by collateral security consisting of Government Obligations;

(iv) Government Obligations;

(v) Bonds, debentures or notes or other evidence of indebtedness issued by any one or a combination of any of the following federal agencies: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer's Home Administration; the Federal Housing Administration; the Maritime Administration; or the Public Housing Authority;

(vi) Repurchase agreements collateralized by Government Obligations or obligations described in clause (v) of this definition with any registered broker/dealer subject to Securities Investors' Protection Corporation jurisdiction, which has an uninsured, unsecured and unguaranteed obligation rated "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P, or any commercial bank with the above ratings, *provided*:

(a) a master repurchase agreement or specific written repurchase agreement governs the transaction,

(b) the securities are held free and clear of any lien by the Trustee or an independent third party acting solely as agent for the Trustee, and such third party is (1) a Federal Reserve Bank, (2) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25,000,000, or (3) a bank approved in writing for such purpose by each Security Instrument Issuer which at the time has a Security Instrument outstanding on which there is no payment default, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee,

(c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. (or similar successor provision of law) in such securities is created for the benefit of the Trustee,

(d) the repurchase agreement has a term of 30 days or less, or the Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business day of such valuation,

(e) the repurchase agreement matures at least ten days (or other appropriate liquidation period) prior to the date when liquidation is required, and

(f) the fair market value of the securities in relation to the amount of the repurchase obligation is equal to at least 100%;

(vii) Money market funds rated “AAA” by Fitch or by S&P or “Aaa” by Moody’s, including such funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund;

(viii) Direct and general obligations of any state within the territorial United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, *provided* that at the time of their purchase under the Indenture, such obligations are rated in either of the two highest rating categories by a Rating Agency;

(ix) Commercial paper rated “first tier” by two Ratings Agencies, one of which must be Moody’s or S&P, and having a remaining term to maturity of 270 days or less;

(x) Refunded municipal obligations rated at the time of purchase in the highest rating category by a Rating Agency; and

(xi) Investment agreements permitted by the State Money Management Act.

“*Issue Date*” means (i) the first day of any calendar month, or (ii) any other date, established in a Supplemental Indenture with respect to a Series of Bonds.

“*Local Government Bonding Act*” means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code, and all laws amendatory thereof or supplemental thereto.

“*Mayor*” means the Mayor of the City, or in the event of his or her disability or absence, the Deputy Mayor or other person duly authorized to perform the duties of the Mayor.

“*Maximum Annual Debt Service*” means the greatest amount of Aggregate Debt Service coming due in any Fiscal Year, less any adjustments thereto as provided in Section 2.03(d).

“*Moody’s*” means Moody’s Investors Service Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to another nationally recognized securities rating agency, if any, designated by the City.

“*Opinion of Bond Counsel*” means an Opinion of Counsel from counsel of nationally recognized standing in the field of law relating to municipal bonds.

“*Opinion of Counsel*” means a written opinion of counsel selected by the City and satisfactory to the Trustee. Any Opinion of Counsel may be based, insofar as it relates to factual

matters, on information with respect to which is in the possession of the City, upon a Written Certificate of the City, unless such counsel knows, or in the exercise of reasonable care should have known, that such Written Certificate is erroneous.

*“Outstanding”* means with respect to the Bonds, as of any date of calculation (subject to the provisions of Section 8.04), all Bonds which have been duly authenticated and delivered by the Trustee except: (a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation; (b) Bonds for the payment or redemption of which cash funds or Investment Securities shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds), *provided* that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the provisions of the Indenture or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated or delivered pursuant to the terms of Section 3.07 as permitted by the Indenture; and (d) the Principal amount of any Bond issued pursuant to a Supplemental Indenture authorizing partial payment without cancellation if payment is noted on a payment record attached to such Bond *provided* that such payment has been made and duly noted on the payment record attached to such Bond.

*“Paired Obligations”* means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred and (i) the principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the City for the terms of such Bonds.

*“Paying Agent”* means any bank or trust company designated as paying agent for the Bonds of any Series, and its successor or successors hereinafter appointed in the manner provided in Section 7.02 of the Indenture.

*“Pledged Bonds”* means any Bonds that have been pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations.

*“Principal”* means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case *“Principal”* means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (b) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

*“Principal and Interest Fund”* means the fund by that name established in Section 5.03.

*“Principal Installment”* means, as of any date of calculation, (a) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (1) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (2) the unsatisfied balance (determined as provided in the definition of *“Sinking Fund Installment”* in this Section) of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment, or (3) if such future dates coincide as to different Bonds of such Series, the sum of such Principal amount of Bonds and of such unsatisfied balance of such Sinking Fund Installment due on such future date plus such applicable redemption premiums, if any, and (b) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

*“Project”* means the construction, repair or maintenance of streets and roads within the City’s boundaries, which the City is authorized by law to construct, repair or maintain, regardless of whether the City shall hold title thereto, if and to the extent that the same shall be designated by the City as a Project by a Supplemental Indenture.

*“Project Account”* means the separate account for each Project in the Construction Fund pursuant to Section 5.04.

*“Put Bond”* means any Bond which is part of a Series of Bonds which is subject to purchase by the City, its agent or a third party from the Holder of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a *“Put Bond.”*

*“Rating Agency”* means Fitch, Moody’s or S&P.

*“Rating Category”* means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

*“Rebate Fund”* means any fund established with respect to a Series of Bonds issued under the Indenture to provide for the payment of arbitrage rebate pursuant to the Code.

*“Record Date”* means, with respect to any interest payment date for any Series of Bonds, the date specified as the Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

*“Redemption Price”* means, with respect to any Bond, the Principal thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to any Supplemental Indenture.

*“Refunded Bonds”* means all or a part of the Outstanding Bonds of one or more Series to be refunded or refinanced by the issuance of Refunding Bonds.

*“Refunding Bonds”* means all Bonds, whether issued in one or more Series, authenticated and delivered pursuant to Section 2.04, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to Article III or Section 4.04 or Section 8.06.

*“Remarketing Agent”* means a remarketing agent appointed by the City pursuant to Section 7.09 and its successors under the Indenture.

*“Repayment Obligations”* means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

*“Reserve Instrument”* means an instrument or other device issued by a Reserve Instrument Issuer to satisfy all or any portion of the Debt Service Reserve Requirement, if any, for a Series of Bonds. The term *“Reserve Instrument”* includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and other devices; *provided, however*, that no such device or instrument shall be a *“Reserve Instrument”* for purposes of this Indenture unless specifically so designated in the Supplemental Indenture authorizing the use of such device or instrument.

*“Reserve Instrument Agreement”* means any agreement entered into by the City and a Reserve Instrument Issuer pursuant to a Supplemental Indenture and providing for the issuance by such Reserve Instrument Issuer of a Reserve Instrument.

*“Reserve Instrument Costs”* means, with respect to any Reserve Instrument, any fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Issuer pursuant to a Reserve Instrument Agreement or the Supplemental Indenture authorizing the use of such Reserve Instrument. Such Reserve Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Reserve Instrument Costs.

*“Reserve Instrument Coverage”* means, as of any date of calculation and with respect to any Reserve Instrument, the amount available to be paid under such Reserve Instrument into the related Series Subaccount in the Debt Service Reserve Account to satisfy all or any portion of the Debt Service Reserve Requirement.

*“Reserve Instrument Issuer”* means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution issuing a Reserve Instrument.

*“Reserve Instrument Limit”* means, as of any date of calculation and with respect to any Reserve Instrument, the maximum amount available to be paid under such Reserve Instrument into the related Series Subaccount in the Debt Service Reserve Account to satisfy all or any portion of the Debt Service Reserve Requirement, assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of Principal on the corresponding Series of Bonds.

*“Reserve Instrument Repayment Obligations”* means, as of any date of calculation and with respect to any Reserve Instrument, any outstanding amounts payable by the City under the Reserve Instrument Agreement or the Supplemental Indenture authorizing the use of such Reserve Instrument to repay the Reserve Instrument Issuer for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs. Each Reserve Instrument Agreement or the Supplemental Indenture providing for the use of such Reserve Instrument shall specify any amounts payable under it which, when outstanding, shall constitute Reserve Instrument Repayment Obligations and shall specify the portions of any such amounts that are allocable as principal of and as interest on such Reserve Instrument Repayment Obligations.

*“Revenue Fund”* means the fund by that name established in Section 5.03.

*“Revenues”* means those funds received by the City from the State Transportation Fund pursuant to Sections 72-2-107 and 72-2-108 of the Utah Code.

*“S&P”* means Standard & Poor’s Financial Services LLC, a part of McGraw Hill Financial, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, *“S&P”* shall be deemed to refer to another nationally recognized securities rating agency, if any, designated by the City.

*“Security Instrument”* means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term *“Security Instrument”* includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices; *provided, however*, that no such device or instrument shall be a *“Security Instrument”* for purposes of this Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

*“Security Instrument Agreement”* means any agreement entered into by the City and a Security Instrument Issuer pursuant to a Supplemental Indenture providing for the issuance by such Security Instrument Issuer of a Security Instrument.

*“Security Instrument Costs”* means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

*“Security Instrument Issuer”* means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution issuing a Security Instrument that is in full force and effect with respect to any Series of Bonds Outstanding.

*“Security Instrument Repayment Obligations”* means, as of any date of calculation and with respect to any Security Instrument, any outstanding amounts payable by the City under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs. Each Security Instrument Agreement or the Supplemental Indenture providing for the use of such Security Instrument shall specify any amounts payable under it which, when outstanding, shall constitute Security Instrument Repayment Obligations and shall specify the portions of any such amounts that are allocable as principal of and as interest on such Security Instrument Repayment Obligations.

*“Series”* means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to Article III or Section 4.04 or Section 8.06.

*“Series Subaccount”* means the separate subaccount created for each Series of Bonds in the Bond Service Account pursuant to Section 5.07 or in the Debt Service Reserve Account pursuant to Section 5.08, as appropriate.

*“Sinking Fund Installment”* means an amount so designated which is established pursuant to Section 2.02(a)(8). The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited pursuant to Sections 5.08(c) or 5.09 toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

*“Special Revenues”* means any legally available moneys or income from an enterprise of the City or any other source available to the City which are pledged to the payment of one or more Series of the Bonds as provided in a Supplemental Indenture pursuant to Section 8.01(b)(17). Such Supplemental Indenture shall (1) specifically identify the Special Revenues and pledge the same to the payment of one or more Series of Bonds, and (2) require such Special Revenues to be transferred and deposited into the Series Subaccount in the Bond Service Account and, if applicable, the Series Subaccount in the Debt Service Reserve Account for such Series of Bonds at the same time and in the same manner as provided in Section 5.06.

*“State”* means the State of Utah.

*“State Money Management Act”* means the State Money Management Act, Title 51, Chapter 7, Utah Code, and any applicable regulations and rules promulgated thereunder.

*“Supplemental Indenture”* means any indenture supplemental hereto or amendatory hereof that is in full force and effect and has been duly executed and delivered by the City and the Trustee in accordance with the provisions hereof.

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

*“Transfer Agent”* means, as the agent of the City, the Trustee and each and every additional agent appointed from time to time as the agent of the City pursuant to Section 7.10 for the transfer and authentication of Bonds for so long as such appointment shall continue in effect.

*“Treasurer’s Investment Fund”* means the fund held by the Treasurer of the State and commonly known as the Utah State Public Treasurer’s Investment Fund.

*“Trust Estate”* has the meaning specified in the Granting Clause.

*“Trustee”* means the trustee identified in the preamble hereof and appointed by the City pursuant to Section 7.01, its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided herein.

*“Utah Code”* means the Utah Code Annotated 1953, as amended, and all laws amendatory thereof or supplemental thereto.

*“Variable Rate Bonds”* means, as of any date of calculation, Bonds the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible of a precise determination.

*“Written Certificate of the City,” “Written Request of the City” and “Written Statement of the City”* means an instrument in writing signed on behalf of the City by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate or Request or Statement knows, or in the exercise of reasonable care should have known, that the opinion or certificate with respect to the matters upon which such Written Certificate or Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate or Request or Statement of the City, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

- (a) a statement that the person making such certificate, request, statement or opinion has read the pertinent provisions of the Indenture to which such certificate, request, statement or opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, request, statement or opinion is based;

(c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and

(d) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

“Year” means any period of twelve consecutive months.

**Section 1.02. Construction.** This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms “hereby,” “hereof,” “herein,” “hereto,” “hereunder”, and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, trusts, corporations or governments or agencies or political subdivisions thereof.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or leadlines applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

**Section 1.03. Authority for the Indenture.** The Indenture is executed and delivered pursuant to the provisions of the Act.

**Section 1.04. Special Obligations.** The Bonds and the Repayment Obligations are special obligations of the City payable from and secured by the Revenues, moneys, securities and funds pledged therefor.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

**Section 2.01. Authorization of Bonds.** Bonds designated as “*Motor Fuel Excise Tax Revenue Bonds*” (or “*Motor Fuel Excise Tax Revenue Notes*” or “*Motor Fuel Excise Tax Revenue Obligations*,” as appropriate) are hereby authorized to be issued by the City under the Indenture. The maximum Principal amount of the Bonds which may be issued hereunder is not limited; however, the City reserves the right to limit or restrict the aggregate Principal amount of the Bonds which may at any time be issued or Outstanding hereunder. Bonds may be issued in such Series as from time to time shall be established and authorized by the City. The Bonds may be issued in one or more Series pursuant to one or more Supplemental Indentures. The designation of the Bonds shall include, in addition to the name “*Motor Fuel Excise Tax Revenue Bonds*” (or “*Motor Fuel Excise Tax Revenue Notes*” or “*Motor Fuel Excise Tax Revenue Obligations*,” as appropriate), such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series as the City may determine. Each Bond shall bear upon its face the designation so determined for the Series to which it belongs. Each Bond shall recite in substance that it, including the interest thereon, is payable solely from the Revenues and other funds of the City pledged for the payment thereof and that it does not constitute a debt of the City within the meaning of any constitutional or statutory limitations or provisions.

**Section 2.02. General Provisions for the Issuance of Bonds.**

(a) Whenever the City shall determine to issue any Series of Bonds, the City shall execute and deliver a Supplemental Indenture which shall specify the following:

- (1) the purpose for which such Series of Bonds is to be issued, which shall be for a purpose set forth in Section 2.03 or Section 2.04, or a combination of such purposes;
- (2) the authorized Principal amount and Series designation of such Series of Bonds;
- (3) the Issue Date and the maturity date or dates of the Bonds of such Series, *provided*, that no Bonds shall mature over a period exceeding ten (10) years; *provided, however*, that the requirements of this subparagraph (3) shall at all times be deemed to conform to, and shall without further action by the City be amended or supplemented so as to conform to, any applicable maturity limits imposed by the Utah Code, in particular Section 72-2-108(6), upon bonds payable from and secured by a pledge of funds appropriated from the State Transportation Fund for class C roads and *provided further* that if said Section 72-2-108(6), or any other applicable provision of the Utah Code, shall be repealed without replacement, it shall not be necessary for the City to comply with the maturity limitation contained in this subparagraph (3);
- (4) the interest rate or rates (including a zero interest rate) of the Bonds of such Series, or the manner of determining such rate or rates, *provided* that the

Supplemental Indenture shall specify the maximum rate that the Bonds of such Series may bear if such Bonds are Variable Rate Bonds, and the interest payment dates of the Bonds of such Series;

(5) the authorized denominations of the Bonds of such Series;

(6) any Paying Agents and the places of payment of the Principal and Redemption Prices, if any, of, and interest on, the Bonds of such Series, and, if other than the Trustee, any Transfer Agents and the places where Bonds may be registered for transfer or exchange;

(7) the Redemption Prices, if any, and subject to Article IV, the redemption terms, if any, for the Bonds of such Series;

(8) the amount and due date of each Sinking Fund Installment, if any, for the Bonds of such Series;

(9) the Record Date for the Bonds of such Series;

(10) any Debt Service Reserve Requirement for such Series of Bonds pursuant to Section 5.08(a) and the amount, if any, to be deposited from the proceeds of such Series of Bonds into any Series Subaccount in the Debt Service Reserve Account established for such Series of Bonds;

(11) the amount, if any, to be deposited from any legally available source into the Construction Fund;

(12) the forms of the Bonds of such Series;

(13) unless otherwise identified in the Security Instrument Agreement or Reserve Instrument Agreement, as applicable, and to the extent applicable, the obligations payable under any Security Instrument Agreement or Reserve Instrument Agreement entered into in connection with the issuance of the Bonds of such Series which, when outstanding, shall constitute Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations, as the case may be, and which portions of such Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations, as the case may be, are to be attributed to principal of and to interest on such Repayment Obligations; and

(14) any further covenants by the City required by any Security Instrument Issuer, Reserve Instrument Issuer or purchaser of Bonds deemed necessary or desirable by the City in connection with the sale of such Series of Bonds.

(b) The Bonds of any Series shall be executed by the City for issuance under the Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to the City or upon the Written Request of the City but only upon receipt by the

Trustee of the following documents or moneys or securities, all of such documents dated or certified, as the case may be, as of the date of such delivery by the Trustee (unless the Trustee shall accept any of such documents bearing a prior date):

(1) an executed copy of the Supplemental Indenture relating to the issuance of the Bonds of such Series;

(2) a Written Request of the City as to the delivery of the Bonds of such Series;

(3) an Opinion of Bond Counsel to the effect that (i) the City has the power under the Act, as amended to the date of such Opinion, to issue the Bonds of such Series and to execute and deliver the Indenture, and the Indenture has been duly and lawfully executed and delivered by the City, is in full force and effect and is valid and binding upon the City and enforceable in accordance with its terms, and no other authorization for the Indenture is required; (ii) the Indenture creates the valid pledge which it purports to create of the Revenues, Funds, moneys, securities and funds held or set aside under the Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Indenture; (iii) the Bonds of such Series are valid and binding special obligations of the City, enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act, as amended to the date of such Opinion; and (iv) the Bonds of such Series have been duly and validly authorized and issued in accordance with law and the Indenture; *provided* that such Opinion of Counsel may contain limitations acceptable to the purchaser of such Series of Bonds, including limitations as to enforcement by bankruptcy or similar laws, equity principles, sovereign police powers, and federal powers;

(4) a Written Certificate of the City setting forth (A) the principal amount of the Bonds, (B) the Debt Service for each Fiscal Year of the Bonds of such Series and (C) the Aggregate Debt Service for all Outstanding Bonds, including such Series of Bonds being issued, for each Fiscal Year;

(5) a Written Certificate of the City demonstrating compliance with the requirements of Section 11-14-307(4) of the Local Government Bonding Act; *provided, however,* that the requirements of this subparagraph (5) shall at all times be deemed to conform to, and shall without further action by the City be amended or supplemented so as to conform to, any applicable debt service coverage requirements imposed by the Local Government Bonding Act upon bonds payable from and secured by a pledge of excise tax revenues and *provided further* that if said Section 11-14-307(4) shall be repealed without replacement, it shall not be necessary for the City to comply with this subparagraph (5);

(6) the amounts, if any, necessary for deposit into the Construction Fund, the Revenue Fund, and any Series Subaccount in the Debt Service Reserve Account for such Series of Bonds; and

(7) such further documents, moneys and securities as are required by the provisions of Section 2.03 or Section 2.04, or of any Supplemental Indenture.

(c) The City may authorize by Supplemental Indenture the delivery to the Trustee of one or more Security Instruments with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith.

(d) The City may authorize by Supplemental Indenture the issuance and delivery to the Trustee of one or more Reserve Instruments and the execution and delivery of any Reserve Instrument Agreements deemed necessary in connection therewith.

(e) The City may authorize by Supplemental Indenture the issuance of Put Bonds; *provided* that any obligation of the City to pay the purchase price of any such Put Bonds shall not be secured by a pledge of Revenues on a parity with the pledge contained in Section 5.01. The City may provide for the appointment of such Remarketing Agents, indexing agents or other agents as the City may determine.

(f) The City may authorize by Supplemental Indenture such other provisions relating to a Series of Bonds as are permitted by law and are consistent with the provisions of the Indenture.

(g) After the original issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III, Section 4.04 or Section 8.06.

(h) Notwithstanding any provision of this Section 2.02 to the contrary, a Supplemental Indenture may provide for the delivery of a Series of Bonds, issued in the form of a single Bond, in installments to be noted by the Trustee in a delivery schedule on the reverse side thereof or attached thereto.

***Section 2.03. Special Provisions for the Issuance of Construction Bonds.***

(a) One or more Series of Construction Bonds may be authenticated and delivered upon original issuance from time to time in such Principal amount for each such Series as may be determined by the City for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of a Project. Each such Series shall be in such Principal amount which, when taken together with funds previously used or to be provided by the City for such Project, will provide the City with sufficient funds to pay the estimated Cost of Construction of such Project, as set forth in the Written Certificate of the City furnished pursuant to Section 2.03(c).

(b) Each Supplemental Indenture authorizing the issuance of a Series of Construction Bonds:

(1) shall specify the Project for which the proceeds of such Series of Construction Bonds will be applied; and

(2) may provide for the deposit of a specified amount of money from the proceeds of the sale of such Series of Construction Bonds or from other legally available sources into a Project Account in the Construction Fund to pay when due (together with any investment earnings available for such purpose) all or a portion of the interest on such Series of Construction Bonds accrued and to accrue to the Estimated Completion Date, plus interest to accrue on such Series of Construction Bonds after the Estimated Completion Date for up to one Year (or such different period as may then be permitted by law).

(c) Each Series of Construction Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of a Written Certificate of the City which shall:

(1) set forth the then Estimated Completion Date and the then estimated Cost of Construction of the Project being financed by such Series of Bonds;

(2) state that, upon the authentication and delivery of the Bonds of such Series, no event will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture;

(3) set forth, for any Year within the twenty-four (24) calendar months next preceding the authentication and delivery of such Series of Construction Bonds, the Revenues for such period;

(4) set forth the Maximum Annual Debt Service on all Outstanding Bonds upon the issuance of the proposed Series of Construction Bonds, together with any adjustments to the Maximum Annual Debt Service permitted by Section 2.03(d); and

(5) demonstrate that the Revenues set forth in (3) above are equal to or greater than [200]% of the Maximum Annual Debt Service set forth in (4) above.

(d) In determining the Maximum Annual Debt Service on all Outstanding Bonds, the City may reduce the Debt Service on any Series of Bonds for any Fiscal Year by (1) the amount of capitalized interest available to pay the interest on such Bonds in such Fiscal Year pursuant to Section 2.03(b)(2), and (2) the Special Revenues pledged to pay such Debt Service in an amount equal to either (i) the average annual amount of the Special Revenues for the most recent three (3) Fiscal Years or (ii) 75% of the Special Revenues for the most recent Fiscal Year, each as shown in, or calculated on the basis of the information contained in, the applicable audited financial statements of the City filed with the Trustee as provided in Section 6.06(b), but not exceeding the Debt Service on such Series of Bonds in any Fiscal Year. If Special Revenues are to be used in connection with the determination of the Maximum Annual Debt Service, then the City shall deliver to the Trustee (A) confirmation from each Rating Agency then maintaining a rating on any Outstanding Bonds that the pledge of Special Revenues will not result in the reduction or withdrawal of any rating on any Outstanding Bonds, and (B) an Opinion of Counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that

such pledge of Special Revenues will not adversely affect the tax-exempt status of any Bonds then Outstanding.

(e) The proceeds, including accrued interest, of the Construction Bonds of each Series shall be deposited simultaneously with the delivery of such Bonds into the Construction Fund and, to the extent permitted by law and the provisions of the Indenture, in any other Funds or Accounts or such other funds or accounts as may be established by the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds in such amounts as may be provided in such Supplemental Indenture.

(f) There may also be deposited from any legally available source, to the extent permitted by law and the provisions of the Indenture, in the Funds and Accounts or such other funds or accounts as may be established by the Supplemental Indenture, such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds.

***Section 2.04. Special Provisions for the Issuance of Refunding Bonds.***

(a) One or more Series of Refunding Bonds may be issued in such principal amount which, when taken together with other legally available funds, will provide the City with funds which will be sufficient to accomplish the refunding of the Refunded Bonds including the payment of all expenses and the establishment of any reserves in connection with such refunding.

(b) Each Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds shall specify the Refunded Bonds to be refunded.

(c) Each Series of Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by Section 2.02) of the following documents or moneys or securities (or if such documents or moneys or securities are to be delivered to the trustee or debtor for the other borrowings, to such trustee or debtor, with a copy or other evidence of such delivery to the Trustee):

(1) either

(A) a Written Certificate of the City which shall:

(i) set forth the Aggregate Debt Service on the Refunded Bonds for each Fiscal Year to and including the scheduled final maturity date thereof,

(ii) set forth the Aggregate Debt Service on the Refunding Bonds for each Fiscal Year to and including the scheduled final maturity date thereof, and

(iii) demonstrate that the Aggregate Debt Service on the Refunding Bonds for each such Fiscal Year set forth pursuant to clause (ii) is no greater than one hundred percent (100%) of the Aggregate Debt Service on the Refunded Bonds for each such Fiscal Year set forth pursuant to clause (i);

or

(B) a Written Certificate of the City which shall:

(i) set forth, for any Year within the twenty-four (24) calendar months next preceding the authentication and delivery of such Series of Refunding Bonds, the Revenues for such period;

(ii) set forth the Maximum Annual Debt Service upon the issuance of the proposed Series of Refunding Bonds, together with any adjustments to the Maximum Annual Debt Service permitted by Section 2.03(d); and

(iii) demonstrate that the Revenues set forth in (i) above are equal to or greater than 200% of the Maximum Annual Debt Service set forth in (ii) above;

(2) irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Refunded Bonds on the redemption date or dates specified in such instructions;

(3) if the Refunded Bonds are not by their terms subject to redemption within the next succeeding ninety (90) days, irrevocable instructions to the Trustee, satisfactory to it, to mail the notice provided for in Section 11.01(b) to the holders of the Refunded Bonds; and

(4) either (A) moneys in an amount sufficient to effect payment at the applicable redemption price of the Refunded Bonds, together with accrued interest to the redemption date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective holders of the Refunded Bonds, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of Section 11.01(b), which Government Obligations and moneys shall be held in trust and used only as provided in such Section.

(d) A Series of Refunding Bonds may be combined with a Series of Construction Bonds.

***Section 2.05. Provisions Regarding Bonds Secured by a Security Instrument.***

(a) The City may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the City deems appropriate, including:

(1) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (A) the Security Instrument Issuer shall be deemed to be the Holder of the Outstanding Bonds of such Series when the approval, consent or action of the Bondholders for such Series of Bonds is required or may be exercised under the Indenture and following an Event of Default and (B) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent.

(2) In the event that the Principal and Redemption Price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements and other obligations of the City to the Bondholders of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondholders in accordance with the terms of such Security Instrument.

(b) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

**ARTICLE III**

**TERMS AND PROVISIONS OF BONDS**

***Section 3.01. Terms of Bonds.***

(a) The Principal and Redemption Price of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust operations office of the Trustee, or at the principal office of any Paying Agent, or otherwise as provided in a Supplemental Indenture with respect to any Series of Bonds. Unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, payment of interest on any Bond shall be made to the person who is the registered owner thereof as of the close of business on the Record Date and shall be paid by check mailed to the registered owner thereof at the address of such registered owner as it appears on the registration books of the City maintained by the Trustee or at such other address as is furnished to the Trustee in writing by such registered owner prior to the Record Date.

(b) Unless otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, the Bonds of any Series shall be issued in fully registered form without coupons. Each Series of Bonds shall be in such denominations as may be authorized by the Supplemental

Indenture authorizing the issuance of the Bonds of such Series. A Supplemental Indenture may provide for the delivery of a Series of Bonds, issued in the form of a single fully registered Bond, in installments to be noted by the Trustee in a delivery schedule attached to such Bond. Anything in this Indenture to the contrary notwithstanding, a Supplemental Indenture may provide that Bonds issued in such single fully registered form may be submitted to the Trustee for notation of payment of installments and for notation of transfer, without requiring cancellation of such single fully registered Bond. Such Supplemental Indenture may provide for transfer of such Bonds to a new Holder by delivery after such notation, and without cancellation.

(c) The Bonds shall be dated as of the Issue Date specified in the Supplemental Indenture pursuant to which the Series of Bonds is issued. Unless otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, each fully-registered Bond of any Series shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless it is registered as of an interest payment date, in which event it shall bear interest from the date thereof, or unless it is registered prior to the first interest payment date, in which event it shall bear interest from its date, or unless, as shown by the records of the Trustee, interest on the Bonds of such Series shall be in default, in which event it shall bear interest from the date to which interest has been paid in full.

(d) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Indenture as may be necessary or desirable to comply with the Act, custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the City prior to the authentication and delivery thereof.

(e) From and after the issuance of the Bonds of any Series, the findings and determinations of the Council respecting that Series shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of such Bonds is at issue, and no bona fide purchaser of any such Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance, or to the application of the purchase price paid for such Bonds. The validity of the issuance of any Series of Bonds shall not be dependent on or affected in any way by (1) any proceedings taken by the City for the planning, construction, repair or maintenance of a Project, or (2) any contracts made by the City in connection therewith, or (3) the failure to complete the planning, construction or maintenance of a Project. The recital contained in the Bonds that the same are issued pursuant to the Act shall be conclusive evidence of their validity and of the regularity of their issuance and all the Bonds shall be incontestable from and after their issuance. Bonds shall be deemed to be issued, within the meaning of the Indenture, whenever the definitive Bonds, or any temporary Bonds exchangeable therefor, have been delivered to the purchasers thereof, and the purchase price thereof received, or in the case of Bonds to be refunded through exchange, whenever such exchange has been made.

(f) Subject to any limitations contained in a Supplemental Indenture, the City may provide a Security Instrument for any Series of Bonds (or may substitute one Security Instrument for another) if the City has provided to the Trustee written evidence satisfactory to the Trustee from each Rating Agency then having a rating in effect for any Series of Bonds then Outstanding

to the effect that the Rating Agency has reviewed the proposed Security Instrument and that the use of such Security Instrument (or the substitution of one Security Instrument for another, as appropriate) will not, by itself result in a reduction or withdrawal of such Rating Agency's rating of such Series of Bonds.

***Section 3.02. Execution of Bonds; Limited Obligations.***

(a) The Bonds shall be signed on behalf of the City by the manual or facsimile signature of its Mayor and attested and countersigned by the manual or facsimile signature of its City Recorder, and its seal shall be thereunto affixed by its City Recorder, which may be by a facsimile of the City's seal imprinted upon the Bonds. The Bonds shall then be delivered to the Trustee for manual authentication by it or by any Transfer Agent. In case any officer who shall have signed or attested any of the Bonds shall cease to be such officer before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee or by any Transfer Agent or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though such person who signed or attested the same had continued to be such officer of the City. Also, any Bond may be signed, countersigned or attested on behalf of the City by any person who on the actual date of the execution of such Bond shall be the proper officer of the City, although on the nominal date of such Bond any such person shall not have been such officer of the City.

(b) Only such of the Bonds as shall bear thereon a certificate of authentication, executed by the Trustee or by any Transfer Agent, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of the Trustee or of any Transfer Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, the Indenture and that the Holder thereof is entitled to the benefits of the Indenture.

(c) The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the City payable solely from the Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder or the income from the temporary investment thereof) as provided herein. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the City or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefore.

(d) The provisions of this Section relating to the execution of Bonds may be changed as they apply to the Bonds of any Series by the Supplemental Indenture authorizing such Series of Bonds.

***Section 3.03. Transfer of Bonds.*** Unless otherwise provided in a Supplemental Indenture authorizing a Series of Bonds:

(a) Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 3.06, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender

of such Bond for cancellation or, if applicable, notation of the new Holder together with the signature of the Trustee or any applicable Transfer Agent on the back of such Bond or on a form of record attached to such Bond for such purpose, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. No transfer will be effective until entered upon the books required to be kept pursuant to the provisions of Section 3.06.

(b) Whenever any Bond shall be surrendered for transfer, the Trustee or any Transfer Agent shall authenticate and deliver a new fully registered Bond or Bonds duly executed by the City or, if applicable, shall deliver the same Bond, duly annotated with the new Holder and signed by the Trustee or any applicable Transfer Agent on the back of such Bond or on a form of record attached to such Bond for such purpose, for like aggregate principal amount. The Trustee or any Transfer Agent 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.

(c) The City, the Trustee and any Transfer Agent shall not be required (1) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the date of the mailing of a notice of redemption of Bonds selected for redemption under Article IV and ending at the close of business on the day of such mailing, or (2) to register the transfer of or exchange any Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part.

(d) The City, the Trustee and any Transfer Agent may treat and consider the person in whose name each Bond is registered upon the books required to be kept pursuant to Section 3.06 as the Holder and absolute owner of such Bond for the purpose of payment of Principal of and interest on such Bond and for all other purposes whatsoever.

**Section 3.04. Exchange of Bonds.** Fully-registered Bonds may be exchanged at the principal corporate trust operations office of the Trustee or of any Transfer Agent for a like aggregate Principal amount of fully-registered Bonds of the same Series and maturity of authorized denominations. The Trustee or any Transfer Agent 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. Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, no such exchange shall be required to be made subsequent to the Record Date.

**Section 3.05. Form of Bonds.** The Bonds of each Series of Bonds shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations not inconsistent with the terms hereof as may be necessary, desirable, authorized and permitted hereby.

**Section 3.06. Bond Registration Books.** The Trustee will keep or cause to be kept, at its principal corporate trust operations office, sufficient books for the registration and transfer of

Bonds, which shall at all times be open to inspection by the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as hereinbefore provided.

**Section 3.07. Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the City, at the expense of the Holder of such Bond, shall execute, and the Trustee or any Transfer Agent shall, at the expense of the Holder of such Bond, thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee or any Transfer Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee or to any Transfer Agent shall be cancelled by it and delivered to, or upon the order of, the City. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the City and the Trustee and, if such evidence be satisfactory to both and indemnity as required by the Act or State law and satisfactory to the Trustee shall be given, the City, at the expense of the Holder of such Bond, shall execute, and the Trustee shall, at the expense of the Holder of such Bond, thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof). Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an additional contractual obligation of the City, and shall be equally and proportionately entitled to the benefits of the Indenture with all other Bonds of the same Series secured by the Indenture. Neither the City nor the Trustee shall be required to treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the Principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and duplicate Bond shall be treated as one and the same.

## ARTICLE IV

### REDEMPTION OF BONDS

**Section 4.01. Privilege of Redemption of Bonds.** Any Series of Bonds subject to redemption prior to maturity pursuant to a Supplemental Indenture shall be redeemable, upon notice being given, at such times, at such Redemption Prices and upon such terms as provided in this Article and (in addition to and consistent with the terms contained in this Article) in the Supplemental Indenture authorizing the issuance of the Bonds of such Series.

**Section 4.02. Selection of Bonds for Redemption.** Except as otherwise provided in a Supplemental Indenture:

- (a) If less than all of the Bonds of any Series are called for redemption and if the Bonds of such Series shall mature on more than one date, the Bonds of such Series shall be redeemed from the Outstanding Bonds of such Series [in inverse order of maturities].

(b) If less than all of the Bonds of any Series maturing on any single date are called for redemption, the Trustee shall select the Bonds to be redeemed, from the Outstanding Bonds of such Series maturing on that date not previously called for redemption, in such manner as in the Trustee's sole discretion it shall deem appropriate and fair; *provided, however*, that subject to other applicable provisions of the Indenture or of any Supplemental Indenture, the portion of any Bond to be redeemed shall be in a Principal amount equal to a denomination in which Bonds of such Series are authorized to be issued. In selecting Bonds for redemption the Trustee shall treat each Bond as representing the number of Bonds which is obtained by dividing the Principal amount of each Bond by the minimum denomination in which such Series of Bonds is authorized to be issued. If part but not all of a Bond shall be selected for redemption, the Holder thereof or his attorney or legal representative shall present and surrender such Bond to the Trustee for payment of the Principal amount thereof so called for redemption and the redemption premium, if any, on such Principal amount. The City shall execute and the Trustee or any Transfer Agent shall authenticate and deliver to or upon the order of such Holder or his legal representative, without charge therefor, a Bond or Bonds of the same maturity and bearing interest at the same rate as the Bond so surrendered for the unredeemed portion of the surrendered Bond. The Trustee shall promptly notify the City in writing of the Bonds or portions thereof selected for redemption.

***Section 4.03. Notice of Redemption.*** Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds:

(a) Notice of redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of such Bond, at his address as it appears on the bond registration books of the Trustee or at such address as he may have filed with the Trustee for that purpose, but neither failure to mail any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds. Each notice of redemption shall state the redemption date, the place of redemption, the anticipated source of the funds to be used for such redemption, the Principal amount and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the distinctive numbers of the Bonds to be redeemed, and shall also state that the interest on the Bonds or portions thereof in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the Redemption Price thereof and interest accrued thereon to the redemption date.

(b) Notice of redemption shall be given by the Trustee for and on behalf and at the expense of the City, at the Written Request of the City given to the Trustee at least 60 days prior to the date fixed for redemption. The City shall deposit with, or otherwise make available to, the Trustee the money required for payment of the Redemption Price of and the accrued interest to the redemption date on all Bonds then to be called for redemption at least two Business Days before the date fixed for such redemption.

(c) If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all Bonds called for redemption, such notice may state that it is conditional upon the deposit of moneys sufficient to redeem all Bonds with the Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. If the notice contains such condition and if moneys sufficient to redeem all Bonds called for redemption have not been deposited with the Trustee by the redemption date, the notice of redemption shall be rescinded, none of the Bonds described in such notice shall be redeemed, the Redemption Price shall not be due and payable under the Indenture, and the Trustee shall, as soon as possible after the redemption date, give notice for and on behalf and at the expense of the City, by first class mail, postage prepaid, to the registered owners of the Bonds called for redemption of the rescission of such notice of redemption.

**Section 4.04. *Partial Redemption of Bonds; Disposition of Redeemed Bonds.*** Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds:

(a) Upon surrender of any Bond redeemed in part only, the City shall duly execute and the Trustee or any Transfer Agent shall authenticate and deliver to the registered owner thereof, at the expense of the City, a new Bond or Bonds of the same Series and maturity and of authorized denominations equal in aggregate Principal amount to the unredeemed portion of the Bond surrendered.

(b) All Bonds redeemed in whole or in part pursuant to the provisions of this Article shall be cancelled by the Trustee or any Transfer Agent and shall thereafter be delivered to, or upon the order of, the City.

**Section 4.05. *Effect of Redemption.*** Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, if notice of redemption has been duly given as aforesaid, and moneys for payment of the Redemption Price, together with interest to the redemption date on the Bonds so called for redemption, are held by the Trustee, then such Bonds shall, on the redemption date designated in such notice, become due and payable at the Redemption Price specified in such notice and interest accrued thereon to the redemption date; and from and after the date so designated interest on the Bonds so called for redemption shall cease to accrue.

## **ARTICLE V**

### **PLEDGE OF REVENUES; ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF**

**Section 5.01. *The Pledge Effected by the Indenture.*** The Bonds and the Repayment Obligations are special obligations of the City payable from and secured by the Revenues, moneys, securities and funds pledged therefor. There are hereby pledged for the payment of Principal, Redemption Price and interest on the Bonds and of Repayment Obligations in accordance with their terms and the provisions of the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions

set forth in the Indenture (1) the proceeds of sale of the Bonds, (2) the Revenues, and (3) the Construction Fund, Principal and Interest Fund, Revenue Fund and any other Funds hereafter established or confirmed by the Indenture (except for any Rebate Fund) and pledged for the payment of Principal, Redemption Price and interest on the Bonds and of Repayment Obligations, including the investments, if any, thereof, subject to any required rebate of all or a portion of the earnings on such investments to the United States of America pursuant to the requirements of Section 148(f) of the Code.

***Section 5.02. Perfection of Security Interest.***

(a) This Indenture creates a valid and binding pledge and assignment of and security interest in all of the Revenues pledged under this Indenture in favor of the Trustee as security for payment of the Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code, and hereafter has priority against all parties having claims of any kind in tort, contract, or otherwise against the City, regardless of whether or not the parties have notice of the lien created hereunder.

***Section 5.03. Establishment of Funds.***

(a) The following Funds are hereby established:

(1) Revenue Fund, to be held by the City;

(2) Construction Fund, to be held by the Trustee, in which the Trustee shall establish a Project Account for each Project; and

(3) Principal and Interest Fund, to be held by the Trustee, consisting of

(A) a Bond Service Account, in which the Trustee shall establish a separate Series Subaccount for each Series of Bonds, and

(B) a Debt Service Reserve Account, in which the Trustee may establish a separate Series Subaccount for one or more Series of Bonds.

(c) The City may, by Supplemental Indenture, establish one or more additional Funds, accounts or subaccounts, including, but not limited to, a Rebate Fund.

***Section 5.04. Construction Fund.***

(a) There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Indenture or any Supplemental Indenture.

(b) The Trustee shall establish within the Construction Fund a separate Project Account for each Project and may establish one or more subaccounts in each Project Account.

(c) Amounts in each Project Account established for a Project shall be applied to pay the Cost of Construction of the Project. In the event and to the extent that proceeds of the sale of Bonds were deposited in a Project Account to provide for the payment of capitalized interest, the Trustee shall, during the period for which such interest was capitalized, transfer from such Project Account, to the appropriate Series Subaccount in the Bond Service Account, the amounts required to pay interest on the Bonds when due, subject to any limitations contained in the Supplemental Indenture authorizing such Bonds.

(d) Before any payment is made from any Project Account by the Trustee (except for transfers into Series Subaccounts in the Bond Service Account to pay interest on the Bonds as contemplated in (c) above), the City shall file with the Trustee a Written Request of the City, showing with respect to each payment to be made, the name of the person to whom payment is due and the amount to be paid with payment instructions, and stating that the obligation to be paid was incurred and is a proper charge against the Project Account. Each such Written Request shall be sufficient evidence to the Trustee that obligations in the stated amounts have been incurred by the City and that each item thereof is a proper charge against the applicable Project Account.

(e) Upon receipt of each such Written Request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof.

(f) The City shall maintain on file with the Trustee a schedule of dates on which the City estimates that money in each Project Account will be expended and the amounts estimated to be required on those dates. The City may revise such schedule at any time to reflect changes in the estimated dates and amounts. Amounts in the Construction Fund shall be invested and reinvested by the Trustee, in accordance with instructions received from an Authorized Officer of the City, to the fullest extent practicable in Investment Securities (or, to the extent permitted by a Supplemental Indenture executed and delivered pursuant to Section 10.02(a)(3), in other investments) maturing in such amounts and at such times as may be necessary to make funds available when needed. The Trustee may, and to the extent required for payments from the Construction Fund shall, sell any such Investment Securities at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the applicable Project Account in the Construction Fund.

(g) Unless otherwise provided in a Supplemental Indenture authorizing a Series of Construction Bonds, all net income earned on any moneys or investments in the Project Account established in the Construction Fund for a Project shall be held in such Project Account and applied to pay the Costs of Construction.

(h) The substantial completion of construction of each Project shall be evidenced by a Written Certificate of the City, which shall be filed with the Trustee. Upon the filing of such Certificate, the balance in the Project Account in the Construction Fund in excess of the amount, if any, stated in such Certificate shall, to the extent permitted under applicable law and covenants, including any covenants contained in any Tax Certificate, regarding the use of proceeds of the Bonds, and as directed in such Written Certificate or in a Supplemental Indenture, be (i) used to purchase Bonds as provided in Section 5.09, (ii) deposited into the Debt

Service Reserve Account to fund any amounts required to be deposited therein, (iii) deposited into the Bond Service Account, (iv) transferred into another Project Account to pay Costs of Construction of a Project or (v) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds. If subsequent to the filing of such Certificate, a supplemental Written Certificate of the City is filed with the Trustee stating that the balance of the money remaining in the Construction Fund is no longer needed to pay Costs of Construction of such Project, any remaining balance in the Project Account in the Construction Fund shall, to the extent permitted under applicable law and covenants, including any covenants contained in any Tax Certificate, regarding the use of proceeds of the Bonds and as directed in such supplemental Written Certificate or in a Supplemental Indenture, be (i) used to purchase Bonds as provided in Section 5.09, (ii) deposited into the Debt Service Reserve Account to fund any amounts required to be deposited therein, (iii) deposited into the Bond Service Account, (iv) transferred into another Project Account to pay Costs of Construction of a Project or (v) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds.

***Section 5.05. Revenues; Revenue Fund.***

(a) All Revenues shall be promptly deposited by the City to the credit of the Revenue Fund. There shall also be deposited into the Revenue Fund all amounts required to be so deposited by the Indenture, including, but not limited to, Section 10.02.

(b) Following the deposits required by Section 5.06(a), there shall be retained in the Revenue Fund, to the extent such amounts are not otherwise required to be transferred from the Revenue Fund pursuant to the provisions of Section 5.06, the amount estimated to be required for deposit into the Principal and Interest Fund in the next succeeding month; *provided, however*, for purposes of calculating the interest payable for the next succeeding month for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate that cannot be ascertained for any such month, it shall be assumed that such Series of Variable Rate Bonds or Repayment Obligations will bear interest at the greater of (i) the maximum interest rate permitted under the applicable Supplemental Indenture authorizing the issuance of such Series of Variable Rate Bonds, (ii) the maximum interest rate permitted under any Reserve Instrument Agreement then in effect with respect to such Series of Variable Rate Bonds, or (iii) the maximum interest rate permitted under any Security Instrument Agreement then in effect with respect to such Series of Variable Rate Bonds, as applicable.

***Section 5.06. Flow of Funds.***

(a) On or before the last Business Day prior to the end of each [month][quarter] the City shall transfer from the Revenue Fund, to the extent of moneys available therein, and deposit, in the following order:

- (1) into the following Funds and Accounts, the amounts set forth below:
  - (A) Into the Principal and Interest Fund:

(i) for credit to the Bond Service Account, the amount, if any, required so that the balance in each of the Series Subaccounts in the Bond Service Account shall equal the Accrued Debt Service on the Series of Bonds and, to the extent that the Supplemental Indenture creating such Series Subaccount authorizes the use of a Security Instrument, on any Security Instrument Repayment Obligations for which such Series Subaccount was established; *provided* that if there are not sufficient moneys to satisfy the requirements of this subsection (i) with respect to all Series Subaccounts in the Bond Service Account, all moneys available for distribution among such Series Subaccounts shall be deposited into the Bond Service Account and distributed on a pro rata basis to the deficient Series Subaccounts in the Bond Service Account, such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency for each Series Subaccount bears to the total deficiency for all Series Subaccounts; and *provided further*, that in the event and to the extent moneys have been deposited in any Project Account to provide for the payment of capitalized interest, such moneys shall be transferred from the appropriate Project Account and deposited into the appropriate Series Subaccount in the Bond Service Account in an amount sufficient to cause the balance in such Series Subaccount to equal the interest component of Accrued Debt Service on the Series of Bonds; and

(ii) for credit to the Debt Service Reserve Account, without priority or preference as between subsections (A) or (B):

(A) if, after the issuance of a Series of Bonds, an amount equal to the Debt Service Reserve Requirement is not on deposit in the Series Subaccount established in the Debt Service Reserve Account for such Series of Bonds because sufficient moneys for that purpose were not required by a Supplemental Indenture to be deposited into the Debt Service Reserve Account pursuant to the provisions of Section 2.02(a)(10), such amount as shall be required by the Supplemental Indenture authorizing such Series of Bonds, in not to exceed [sixty (60)][fifteen (15)] approximately equal [monthly][quarterly] installments commencing no later than the Business Day immediately preceding the first Interest Payment Date of such Series of Bonds, computed as of the contemplated date of issuance of such Series of Bonds, necessary to cause the balance in such Series Subaccount to equal the Debt Service Reserve Requirement; and

(B) if moneys shall ever have been paid out of any Series Subaccount in the Debt Service Reserve Account for the purpose specified in Section 5.08(b) or if for any other reason moneys in any Series Subaccount in the Debt Service Reserve

Account shall have been removed and in either case if such moneys shall not have been replaced from any source, such amount as shall be necessary to cause either the amount so paid out of or removed from such Series Subaccount in the Debt Service Reserve Account to be replaced, or the amount to be on deposit in such Series Subaccount to be equal to the Debt Service Reserve Requirement attributable to the corresponding Series of Bonds, whichever is less;

*provided* that if there are not sufficient moneys in the Revenue Fund to satisfy the requirements of this subsection (ii), all moneys available for distribution among the Series Subaccounts in the Debt Service Reserve Account shall be deposited into the Debt Service Reserve Account and distributed pro rata based on the amount of the deficiencies to the deficient Series Subaccounts in the Debt Service Reserve Account.

*provided, however,* that so long as there shall be held in the Principal and Interest Fund, excluding any Reserve Instrument Coverage, an amount sufficient to pay in full all Outstanding Bonds and all outstanding Repayment Obligations in accordance with their terms (including Principal or applicable sinking fund Redemption Price and interest thereon), no deposits shall be required to be made into the Principal and Interest Fund.

(b) Amounts remaining in the Revenue Fund at the end of each month after payment of the amounts required by subsection (a) of this Section may be applied by the City, free and clear of the lien of the Indenture, to any one or more of the following, to the extent permitted by law: (1) the purchase or redemption of any Bonds and payment of expenses in connection therewith; (2) payments into any Project Account or Accounts established in the Construction Fund for application to the purposes of such Accounts; and (3) any other lawful purpose of the City.

(c) Upon any purchase or redemption, pursuant to subsection (b) of this Section, of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established, the principal amount of such Bonds shall be credited toward such Sinking Fund Installments as directed in a Written Certificate or Request of the City, unless the City shall elect to have the Sinking Fund Installments next due credited as provided in Section 5.07(c).

***Section 5.07. Principal and Interest Fund - Bond Service Account.***

(a) Each Supplemental Indenture providing for the issuance of a Series of Bonds shall establish a separate Series Subaccount in the Bond Service Account for each such Series of Bonds issued; *provided, however,* that such a separate Series Subaccount need not be established in the Principal and Interest Fund for a Series of Bonds if such Series of Bonds is secured by a Series Subaccount in the Debt Service Reserve Account that also secures one or more other Series of Bonds as contemplated by Section 5.08(a) (in which case the Supplemental Indenture may provide for the payment of principal and interest on such Series of Bonds from the same Series Subaccount in the Principal and Interest Fund as the principal and interest on such other Series of Bonds are payable from). There shall be deposited into each Series Subaccount the

amounts required to be so deposited pursuant to Section 5.06(a)(1)(A)(i). Any payments made by a Security Instrument Issuer with respect to a Series of Bonds shall be deposited into the Series Subaccount in the Bond Service Account relating to such Series of Bonds, subject to the provisions of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

(b) The Trustee shall pay out of the appropriate Series Subaccount in the Bond Service Account to the respective Paying Agent (1) on or before each interest payment date for each Series of Bonds, the amount required for the interest payable on such date; (2) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and (3) on or before any redemption date for each Series of Bonds, the amount designated in writing by the City as required for the payment of Redemption Price of and accrued interest on such Bonds then to be redeemed. Such amounts shall be applied by the Paying Agents to pay Principal Installments and Redemption Price of, and interest on the related Series of Bonds. The Trustee shall pay out of the appropriate Series Subaccount in the Bond Service Account to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the City) and the Trustee shall keep its records accordingly.

(c) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in any Series Subaccount in the Bond Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the City in a Written Request not less than 30 days before the due date of such Sinking Fund Installment, be applied by the Trustee to (1) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2). The applicable sinking fund Redemption Price (or Principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Service Account until such Sinking Fund Installment date for the purpose of calculating the amount of such Account. As soon as practicable after the 60th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the appropriate Series Subaccount in the Bond Service Account to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment).

**Section 5.08.    *Principal and Interest Fund - Debt Service Reserve Account.***

(a) Each Supplemental Indenture providing for the issuance of a Series of Bonds shall establish in the Debt Service Reserve Account a separate Series Subaccount for each such Series of Bonds issued *provided, however*, that such a separate Series Subaccount need not be established in the Principal and Interest Fund for a Series of Bonds if such Series of Bonds is secured by a Series Subaccount in the Debt Service Reserve Account that also serves one or more other Series of Bonds. Such Supplemental Indenture shall also specify the Debt Service Reserve Requirement to be on deposit in such Series Subaccount.

(b) If on the third Business Day prior to the end of any month, after the deposit of moneys required by Section 5.06(a)(1)(A)(i), the amount in any Series Subaccount in the Bond Service Account shall be less than the amount required to be in such Series Subaccount, the Trustee shall (1) apply amounts from the corresponding Series Subaccount, if any, in the Debt Service Reserve Account to the extent necessary to make good the deficiency; and (2) to the extent that moneys and investments available in the corresponding Series Subaccount, if any, in the Debt Service Reserve Account are not sufficient to eliminate the deficiency in the Series Subaccount in the Bond Service Account and Reserve Instruments are in effect for the corresponding Series of Bonds, immediately make a demand for payment on all such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof in the appropriate Series Subaccount in the Bond Service Account.

(c) Whenever the moneys on deposit in a Series Subaccount in the Debt Service Reserve Account, including investment earnings and Reserve Instrument Coverage with respect thereto, shall exceed the Debt Service Reserve Requirement for such Series Subaccount, such excess shall be transferred by the Trustee to the corresponding Series Subaccount in the Bond Service Account and shall be used to pay Debt Service on the related Bonds, subject to any limitations contained in the Tax Certificate relating to such Bonds.

(d) Whenever the amount in a Series Subaccount in the Debt Service Reserve Account, excluding any Reserve Instrument Coverage, together with the amount in the corresponding Series Subaccount in the Bond Service Account for a Series of Bonds, is sufficient to pay in full all Outstanding Bonds of such Series and related Repayment Obligations in accordance with their terms (including Principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in such Series Subaccount in the Debt Service Reserve Account shall be transferred to the corresponding Series Subaccount in the Bond Service Account and no deposits shall be required to be made into such Series Subaccount in the Debt Service Reserve Account.

(e) Unless otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, in calculating the amount on deposit in a Series Subaccount in the Debt Service Reserve Account, the amount of the Reserve Instrument Coverage for the corresponding Series of Bonds will be treated as an amount on deposit in such Series Subaccount in the Debt Service Reserve Account. The City may deposit a Reserve Instrument into any Series Subaccount in the Debt Service Reserve Account to satisfy all or a portion of the Debt Service Reserve Requirement

with respect to the Series of Bonds for which such Series Subaccount was established and upon such deposit may withdraw any moneys in such Series Subaccount in excess of such Debt Service Reserve Requirement.

(f) Unless otherwise specified in the Supplemental Indenture authorizing a Series of Bonds, no Reserve Instrument for such Series of Bonds shall be allowed to expire unless and until cash has been deposited into the appropriate Series Subaccount in the Debt Service Reserve Account, or a new Reserve Instrument has been issued in place of the expiring Reserve Instrument, in an amount or to provide coverage at least equal to the Debt Service Reserve Requirement for the corresponding Series of Bonds.

**Section 5.09. Purchase of Bonds.** The City may, to the extent permitted under applicable law and covenants, including any covenants contained in any Tax Certificate, purchase Bonds of any Series from any available funds at public or private sale, as and when and at such prices as the City may in its discretion determine. All Bonds so purchased shall at such times as shall be selected by the City be delivered to and cancelled by the Trustee or any Registrar and shall thereafter be delivered to, or upon the order of, the City, and no Bonds shall be issued in place thereof. In the case of the purchase of Bonds of a Series and maturity for which Sinking Fund Installments shall have been established, the City shall, by a Written Request of the City delivered to the Trustee, elect the manner in which the Principal amount of such Bonds shall be credited toward Sinking Fund Installments, consistent with the procedures of Section 5.07(c).

## ARTICLE VI

### GENERAL COVENANTS

**Section 6.01. Punctual Payment of Bonds.** The City will punctually pay or cause to be paid, solely from the Revenues and funds pledged therefor pursuant to the Indenture, the principal or Redemption Price and the interest to become due in respect of all the Bonds in strict conformity with the terms of the Bonds and the City will punctually pay or cause to be paid all Sinking Fund Installments which may be established for any Series of Bonds.

**Section 6.02. Construction of Projects.** Once the City has determined to construct a Project and issued Bonds with respect to such Project, the City will promptly commence, or cause to be commenced, the construction of such Project and will continue, or cause to be continued, the same to completion with all practicable dispatch, and such Project will be constructed in a sound and economic manner.

**Section 6.03. No Impairment of Revenues.** Pursuant to Section 11-14-307(2)(d) of the Local Government Bonding Act, [(i) the ordinances, resolutions or other enactments of the Council pursuant to which the Revenues are being received and (ii)] the obligation of the City to apply the Revenues as provided in the Indenture, shall be irrevocable so long as the Bonds are Outstanding and are not subject to amendment by the City in any manner which would impair the rights of the Bondholders or which would in any way jeopardize the timely payment of the principal of or interest on the Bonds when due.

***Section 6.04. Against Encumbrances; Further Assurances.***

(a) The City will not sell, convey, mortgage, encumber, pledge or otherwise dispose of any part of the Revenues except as provided in the Indenture.

(b) The City will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further accounts, instruments and transfers as may be reasonably required for the better assuring, pledging and confirming to the Trustee all and singular the Revenues and the other amounts pledged hereby to the payment of the principal of, Redemption Price and interest on the Bonds.

***Section 6.05. Covenant of State of Utah.*** Pursuant to Section 11-14-307(3) of the Local Government Bonding Act, the State pledges and agrees with the Bondholders, Security Instrument Issuers and Reserve Instrument Issuers that the State will not alter, impair or limit the Revenues in a manner that reduces the amounts to be rebated to the City which are devoted or pledged by the Indenture until the Bonds, together with applicable interest, are fully met and discharged; *provided, however*, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the Bondholders, Security Instrument Issuers and Reserve Instrument Issuers.

***Section 6.06. Accounts and Reports.***

(a) The City will at all times keep, or cause to be kept, proper books of record and accounts, separate and apart from all other records and accounts of the City, in which complete and accurate entries shall be made of all transactions relating to the Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Trustee, the Holders of not less than five percent (5%) of any Series of Bonds then Outstanding, any Security Instrument Issuer, any Reserve Instrument Issuer, any party specified by a Supplemental Indenture, or their representatives authorized in writing.

[(b) The City will place on file with the Trustee and with any party specified by a Supplemental Indenture annually within six (6) months after the close of each Fiscal Year, a financial statement in reasonable detail for the preceding Fiscal Year showing the receipt and disposition of all Revenues and the balances of all Funds as of the end of each Fiscal Year, which financial statement and balance sheet shall be accompanied by an Accountant's Certificate. Each such financial statement, in addition to whatever matters may be thought proper by the Independent Public Accountant to be included therein, shall include the following:

(1) an analysis of all Funds provided for herein, setting out as to each all deposits and disbursements made during the Fiscal Year and the amount in each Fund at the end of the Fiscal Year; and

(2) such other matters as may be required by Supplemental Indenture.

Simultaneously with the filing of such financial statement, there shall be filed with the Trustee and with any party specified by a Supplemental Indenture a report of indenture compliance

review conducted by the firm of Independent Public Accountants which signed the Accountants' Certificate accompanying the financial statement.]

(c) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of the Indenture shall be available for inspection of Bondholders, Security Instrument Issuers and Reserve Instrument Issuers at the principal corporate trust office of the Trustee and, upon the Written Request of the City, shall be mailed to each Bondholder, Security Instrument Issuer and Reserve Instrument Issuer who shall file a written request therefor with the City.

(d) The City shall file with the Trustee and with any party specified by a Supplemental Indenture (1) immediately upon becoming aware of any Event of Default or other default in the performance by the City of any covenant, agreement or condition contained in the Indenture, a Written Certificate of the City specifying such default; and (2) not later than six (6) months following the end of each Fiscal Year a Written Certificate of the City stating that, to the best of the knowledge and belief of the Authorized Officer of the City executing such Written Certificate, except for any default then existing which shall have been specified in the Written Certificate of the City referred to in (1) above, the City has kept, observed, performed and fulfilled each and every one of its covenants and obligations contained in the Indenture and there does not exist at the date of such Written Certificate any default by the City under the Indenture or any Event of Default or other event which, with the lapse of time specified in Section 9.01, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

**Section 6.07. Maintenance of Paying Agents.** The Trustee shall pay to each Paying Agent, to the extent of the moneys held by the Trustee for such payment, funds for the prompt payment of the principal and Redemption Price of and interest on the Bonds of such Series presented at any such place of payment.

**Section 6.08. Compliance with Indenture.** The City will not issue any Bonds in any manner other than in accordance with the provisions of the Indenture and will not suffer or permit any default to occur under the Indenture, but will faithfully observe and perform all the covenants, conditions and requirements hereof. The City will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Holders of the Bonds, the Security Instrument Issuers and the Reserve Instrument Issuers of the rights, benefits and security provided in the Indenture. The City for itself, its successors and assigns, represents, covenants and agrees with the Holders of the Bonds, the Security Instrument Issuers and the Reserve Instrument Issuers as a material inducement to the purchase of the Bonds and the issuance of the Security Instruments and the Reserve Instruments, that so long as any of the Bonds shall remain Outstanding and the principal or Redemption Price thereof or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in the Indenture and the Bonds.

**Section 6.09. Power to Issue Bonds and Pledge Revenues and Other Funds.** The City is duly authorized under all applicable laws to create and issue the Bonds and to adopt the

Indenture and to pledge the Revenues and other moneys, securities and funds purported to be pledged by the Indenture in the manner and to the extent provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the valid and legally enforceable obligations of the City in accordance with their terms and the terms of the Indenture. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and Funds pledged under the Indenture and all the rights of the Bondholders, the Security Instrument Issuers and the Reserve Instrument Issuers under the Indenture against all claims and demands of all persons whomsoever.

***Section 6.10. General.***

(a) The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of the Act and the Indenture.

(b) The City covenants that upon the date of authentication and delivery of any of the Bonds, all acts, conditions and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed in regular and in due time, form and manner as required by law and the City will have duly and regularly complied with all applicable provisions of law and will be duly authorized to issue the Bonds under the Act in the manner and upon the terms as in the Indenture provided.

**ARTICLE VII**

**THE TRUSTEE, THE PAYING AGENTS AND THE TRANSFER AGENTS**

***Section 7.01. Trustee.***

(a) The City hereby appoints Zions First National Bank, as the initial Trustee hereunder to act as the legal depository of the City for the purpose of receiving all moneys which the City is required to pay to the Trustee hereunder and to hold, allocate, use and apply the same as provided in the Indenture. The Trustee hereby accepts and agrees to execute the trusts hereby created upon the terms set forth herein. The Trustee shall act as the legal depository of the City for the purpose of receiving all moneys which the City is required to pay to the Trustee hereunder, and to hold, allocate, use and apply the same as provided in the Indenture. The Trustee shall also act as registrar and Transfer Agent for the Bonds, with the duties herein provided, and shall also act in accordance with the duties specified in Section 3.02(a). In acting as registrar and Transfer Agent, the Trustee shall be the agent of the City.

(b) The Trustee may at any time resign or be discharged of its duties and obligations hereby created by giving not less than 60 days' written notice to the City, specifying the date when such resignation shall take effect, and mailing notice thereof to the Holders of all Bonds then Outstanding, and such resignation shall take effect on the day specified in such notice unless previously a successor shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor; *provided,*

*however*, that such resignation of the Trustee shall in no event take effect until such successor shall have been appointed and accepted the duties of Trustee.

(c) The City may at any time remove the Trustee initially appointed or any successor thereto by a Written Certificate of the City providing for such removal, for the appointment of a successor, and for the effective date of the change of Trustee; *provided, however*, that such removal of the Trustee shall in no event take effect until such successor shall have been appointed and accepted the duties of Trustee by the execution of a Supplemental Indenture. A copy of such Written Certificate of the City shall be mailed by first class mail to the Trustee.

(d) Notice of the resignation or removal of the Trustee and the appointment of a successor shall be mailed by first class mail to the registered Holders of all Bonds then Outstanding, the Information Services, and to each Security Instrument Issuer and Reserve Instrument Issuer then having a Security Instrument or Reserve Instrument outstanding and posted on EMMA, within 30 days after delivery of the Written Certificate of the City providing for such appointment. Any successor Trustee appointed by the City subsequent to the issuance of the first Series of Bonds issued hereunder shall be a bank or trust company with a capital, undivided profits and surplus of not less than \$50,000,000.

(e) If no successor Trustee shall have been appointed and shall have accepted appointment within 45 days of giving notice of the resignation or removal of the Trustee as aforesaid, the Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee.

**Section 7.02. *Paying Agents; Appointment and Acceptance of Duties; Removal.*** The City shall appoint Paying Agents for the Bonds of each Series pursuant to Supplemental Indentures. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the City and to the Trustee a written acceptance thereof. The City may remove any Paying Agent and any successor thereto, and appoint a successor or successors thereto; *provided, however*, that any such Paying Agent designated by the City shall continue to be a Paying Agent of the City for the purpose of paying the Principal and Redemption Price of and interest on the Bonds until the designation of a successor as such Paying Agent. Each Paying Agent is hereby authorized to redeem Bonds when duly presented to it for payment or redemption, which Bonds shall thereafter be delivered to the Trustee for cancellation.

**Section 7.03. *Terms and Conditions of the Trusts.*** Notwithstanding any other provision of this Indenture to the contrary, the Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations of the Trustee shall be read into this Indenture. Subject to Article IX and Section 7.03(l) hereof, the Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the

conduct of his own affairs. The Trustee shall perform such duties, rights and powers only upon and subject to the following express terms and conditions:

(a) The Trustee shall perform such duties and only such duties as are specifically set forth in the Indenture. The duties and obligations of the Trustee shall be determined solely by the express provisions of the Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of any of the same who have been selected by it with ordinary care in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney for the City or any other attorneys, if, in the case of such other attorneys, they are approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice. The Trustee shall not be liable for any error of judgment made in good faith by any of its officers or employees unless it shall be proved that the Trustee was negligent in ascertaining pertinent facts.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the City herein set forth; but the Trustee may require of the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid. The Trustee shall have no obligation to perform any of the duties of the City under the Indenture.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner or pledgee of Bonds secured hereby with the same rights which it would have if not Trustee. To the extent permitted by law, the Trustee may also receive tenders and purchase in good faith Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to the Indenture, upon the request or authority

or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in Principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under the Indenture.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Written Certificate of the City as sufficient evidence of the facts therein contained and shall also be at liberty to accept a similar Written Certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the City Recorder to the effect that a resolution in the form therein set forth has been adopted by the City as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its gross negligence or willful default.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except:

(1) failure by the City to cause to be made any of the payments to the Trustee required to be made pursuant to Article V;

(2) failure of the City to file with the Trustee any document required by the Indenture to be so filed prior to or subsequent to the issuance of the Bonds;  
or

(3) any default with respect to a Security Instrument Agreement or a Reserve Instrument Agreement as to which any of the parties thereto has notified the Trustee in writing;

*provided* that the Trustee shall be required to take notice or be deemed to have notice of any default hereunder if specifically notified in writing of such default by the Holders of not less than 10% in aggregate Principal amount of Bonds then Outstanding, by any Security Instrument Issuer or by any Reserve Instrument Issuer, and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee and in the absence of such notice, the Trustee may conclusively assume there is no default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books, papers and records of the City pertaining to the Revenues and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in the Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds or any action whatsoever within the purview of the Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee reasonably deemed desirable by it for the purpose of establishing the right of the City to the authentication of any Bonds or the taking of any other action by the Trustee.

(l) The Trustee shall be under no obligation to exercise any of the trusts or powers vested in it by the Indenture at the request, order or direction of any of the Bondholders, Security Instrument Issuers or Reserve Instrument Issuers pursuant to the provisions of the Indenture, unless such Bondholders, Security Instrument Issuers or Reserve Instrument Issuers shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred therein or thereby.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law.

(n) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, Bond or other paper or document, unless requested in writing to do so by (i) the Holders of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) any Security Instrument Issuer of a Security Instrument then in full force and effect and not in default on a payment obligation or (iii) any Reserve Instrument Issuer of a Reserve Instrument then in full force and effect and not in default on a payment obligation; *provided*, that, if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of the Indenture, the Trustee may require reasonable indemnity against such expenses or liabilities as a condition to so proceeding. The reasonable expense of every such inquiry or examination shall be paid by the City or, if paid by the Trustee, shall be repaid by the City.

(o) The Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion, rights or powers conferred upon it by the Indenture.

(p) None of the provisions contained in the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it.

(q) The Trustee shall not be obligated to take or omit to take any action hereunder if, upon the basis of advice of counsel selected by it, the Trustee determines it would be unlawful to take or omit to take such action.

(r) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to any Series of Bonds.

(s) The Trustee shall not be liable for actions taken at the direction of Bondholders or Security Instrument Issuer pursuant to the provisions of Article IX.

**Section 7.04. *Intervention by the Trustee.*** In any judicial proceeding to which the City is a party and which in the opinion of the Trustee has a substantial bearing on the interests of Holders of the Bonds, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by (i) the Holders of a majority of the aggregate Principal amount of Bonds then Outstanding or (ii) any Security Instrument Issuer of a Security Instrument then in full force and effect and not in default on a payment obligation. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

**Section 7.05. *Successor Trustee.*** Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business or assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become a successor Trustee hereunder and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of the Trustee or the City, anything herein to the contrary notwithstanding.

**Section 7.06. *Concerning Any Successor Trustee.*** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the City a Supplemental Indenture accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the Written Request of the City, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and

trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its or his successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estates, properties, rights, powers, trusts, duties and obligations hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. Any Trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such Trustee to secure any amounts then due it pursuant to the provisions of Section 7.07 hereof.

**Section 7.07. Compensation of the Trustee and Its Lien.** The City covenants and agrees to pay to the Trustee from time to time and the Trustee shall be entitled to, reasonable compensation and, except as otherwise expressly provided, the City covenants and agrees to pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of the Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ including but not limited to any Paying Agent, Transfer Agent or Depository) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The City also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim of liability in the premises. The obligations of the City under this Section to compensate and indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of the Indenture. Such additional indebtedness shall be secured by a lien prior to that of the Bonds upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of particular Bonds.

**Section 7.08. Appointment of Co-Trustee.** It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under the Indenture, and in particular in case of the enforcement thereof on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by the Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such estates, properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. In case any separate trustee or co-trustee, or a successor to either of them shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

**Section 7.09. Appointment, Duties and Term of Remarketing Agent.** The City may pursuant to a Supplemental Indenture appoint one or more Remarketing Agents from time to time to purchase or remarket Put Bonds.

**Section 7.10. Appointment, Duties and Term of Additional Transfer Agents.** The City may appoint one or more Transfer Agents from time to time in addition to the Trustee to transfer and authenticate Bonds. Each appointment of a Transfer Agent other than the Trustee shall be made by a Supplemental Indenture which shall, among other things, specify the duties, qualifications and term of such Transfer Agent and the conditions under which such Transfer Agent may resign, be removed or be replaced. Each Transfer Agent other than the Trustee shall signify its acceptance of the duties imposed upon it pursuant to the Indenture by depositing with the City and the Trustee a written acceptance of such duties, together with a certificate stating that the Transfer Agent is duly qualified to perform such duties under the terms of the Indenture and under all applicable local, state and federal laws.

## ARTICLE VIII

### MODIFICATION OR AMENDMENT OF INDENTURE

**Section 8.01. Amendments Permitted.**

(a) The Indenture or any Supplemental Indenture and the rights and obligations of the City and of the Holders of the Bonds may be modified or amended at any time by a Supplemental Indenture and pursuant to the affirmative vote at a meeting of Bondholders, or with the written consent without a meeting, (1) of the Holders of at least a majority in Principal amount of the Bonds then Outstanding, and (2) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least a majority in Principal amount of the Bonds of each Series so affected and then Outstanding, and (3) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of at least a majority in Principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Installment and then Outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain Outstanding, the consent of the Holders of Bonds of such Series shall not be required and Bonds of such Series shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section.

(b) The Indenture or any Supplemental Indenture and the rights and obligations of the City, the Holders of the Bonds, the Security Instrument Issuers and the Reserve Instrument Issuers may also be modified or amended at any time by a Supplemental Indenture, without notice to or the consent of any Bondholders for any of the following purposes:

(1) to add to the covenants and agreements of the City contained in the Indenture, to add other covenants and agreements thereafter to be observed, to pledge or provide additional security hereunder or to surrender any right or power herein reserved to or conferred upon the City;

(2) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Indenture or in regard to questions arising under the Indenture, as the City may deem necessary or desirable, and which shall not adversely affect the interests of the Holders of the Bonds;

(3) to provide for the issuance of a Series of Bonds in accordance with the provisions of Article II;

(4) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code, or any successor provision of law or to modify or eliminate the book-entry registration system for any of the Bonds;

(5) to confirm, as further assurance, any pledge of or lien on the Revenues or any other moneys, securities or funds subject or to be subjected to the lien of this Indenture;

(6) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(7) to modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect which in the judgment of the Trustee is not materially adverse to the Holders of the Bonds; *provided, however*, that any such modification, alteration, amendment or supplement pursuant to this Section 8.01(b)(7) shall not take effect until the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation thereunder shall have consented in writing to such modification, alteration, amendment or supplement; *provided further* that in determining whether any such modification, alteration, amendment or supplement is materially adverse to the Holders of the Bonds, the Trustee shall consider the effect on the Holders as if there were no Security Instrument with respect to the Bonds;

(8) to make any change which in the judgment of the Trustee shall not materially adversely affect the rights or interests of the Holders of any Outstanding Bonds requested by a Rating Agency in order to obtain or maintain any rating on the

Bonds or by a Security Instrument Issuer or Reserve Instrument Issuer in order to insure or provide other security for any Bonds;

(9) to make any change necessary (A) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code (or any successor provision of law) or interpretations thereof by the Internal Revenue Service, or (B) to comply with the provisions of Section 148(f) of the Code (or any successor provision of law), including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America;

(10) if the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, *provided* that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(11) if the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, *provided* that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(12) to the extent permitted by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the City delivers to the Trustee (A) a Supplemental Indenture designating the facilities to comprise the Project and (B) a Written Certificate of the City setting forth the costs of the Project and an Estimated Completion Date and certifying that such amendment will not adversely affect the City's ability to comply with the provisions of the Indenture;

(13) to provide for the appointment of a successor Trustee, a Paying Agent, a separate or co-trustee pursuant to Section 7.08, a Remarketing Agent or a Transfer Agent;

(14) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal, but only to the extent that such would not adversely affect the tax-exempt status of the Bonds;

(15) to provide the procedures required to permit any Holder to separate the right to receive interest on the Bonds from the right to receive principal thereof and to sell or dispose of such right as contemplated by Section 1286 of the Code;

(16) to provide for the appointment or replacement of a Security Instrument Issuer or a Reserve Instrument Issuer or for an additional Security Instrument Issuer or an additional Reserve Instrument Issuer following the occurrence of an event of default under the respective Security Instrument or Reserve Instrument, as applicable, or to provide for an additional Security Instrument Issuer following the withdrawal or

suspension or reduction below the Rating Category of “AAA”, “Aaa” or any equivalent rating by any rating agency of the long-term ratings of the Security Instrument Issuer provided that the Security Instrument provided by the replacement or additional Security Instrument Issuer would result in a long-term rating on the Bonds equal to the Rating Category of “AAA”, “Aaa” or any equivalent rating by any Rating Agency;

(17) to provide for the pledge of Special Revenues, additional monies, funds or other assets to secure payment of one or more Series of Bonds; and

(18) to correct any references contained herein to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references herein are incorrect.

No modification or amendment shall be permitted pursuant to subparagraph (1), (7), (8), (10), (11), (12) or (16) unless the City delivers to the Trustee an Opinion of Counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that such modification or amendment will not adversely affect the tax-exempt status or validity of any Bonds affected by such modification or amendment.

(c) No modification or amendment permitted by this Section shall (1) extend the fixed maturity of any Bond, or reduce the Principal amount or Redemption Price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Indenture, without the consent of the Holders of all of the Bonds then Outstanding, or (3) without its written consent thereto, modify any of the rights or obligations of the Trustee.

(d) Each Supplemental Indenture authorized by this Section shall become effective as of the date of its execution and delivery or such other date as shall be specified in such Supplemental Indenture.

(e) No amendment shall be permitted pursuant to this Section 8.01 which shall affect (1) the rights or duties of a Security Instrument Issuer or Reserve Instrument Issuer of a Security Instrument or a Reserve Instrument as the case may be, then in full force and effect and not in default on a payment obligation, or (2) the Series of Bonds for which a Security Instrument Issuer or Reserve Instrument Issuer provides security, without the consent of such Security Instrument Issuer or Reserve Instrument Issuer as the case may be.

(f) Notwithstanding any provisions of the Indenture to the contrary, a Supplemental Indenture providing for the issuance by a Security Instrument Issuer of a Security Instrument in connection with a Series of Bonds issued under the Indenture may provide, among other provisions, that the Security Instrument Issuer shall at all times, so long as the Series of Bonds remains Outstanding, be deemed to be the exclusive owner of all of the Bonds of such Series for the purpose of consenting to the execution and delivery of a Supplemental Indenture pursuant to the provisions of Section 8.01(a).

**Section 8.02. Bondholders' Meetings.**

(a) The Trustee may, and upon the Written Request of the City shall, at any time, call a meeting of the Holders of Bonds, to be held at such place as may be selected by the Trustee and specified in the notice calling such meeting. Written notice of such meeting, stating the time and place of the meeting and in general terms the business to be submitted, shall be mailed by the Trustee, postage prepaid, not less than 30 nor more than 60 days before such meeting, to any Security Instrument Issuer or Reserve Instrument Issuer that is in full force and effect with respect to any Series of Bonds Outstanding and to each registered owner of Bonds then Outstanding at his address, if any, appearing upon the Bond register of the City. The cost and expense of the giving of such notice shall be borne by the City, and the Trustee shall be reimbursed by the City for any expense incurred by it.

(b) Prior to calling any meeting of the Holders of Bonds, the Trustee shall adopt regulations for the holding and conduct of such meeting, and copies of such regulations shall be filed at the principal corporate trust office of the Trustee and at the office of the City and shall be open to the inspection of all Bondholders. The regulations shall include such provisions as the Trustee may deem advisable for evidencing the ownership of Bonds, for voting in person or by proxy, for the selection of temporary and permanent officers to conduct the meeting and inspectors to tabulate and canvass the votes cast thereat, the adjournment of any meeting and the records to be kept of the proceedings of such meeting, including rules of order for the conduct of such meeting and such other regulations as, in the opinion of the Trustee, may be necessary or desirable.

(c) No resolution adopted by such meeting of Bondholders shall be binding unless and until a valid Supplemental Indenture has been executed and delivered containing the modifications or amendments authorized by the resolution adopted at such meeting. Such Supplemental Indenture shall become effective upon the filing with the Trustee of the resolution adopted at such meeting and such Supplemental Indenture.

**Section 8.03. Amendment by Written Consent.** The City may at any time execute and deliver a valid Supplemental Indenture amending the provisions of the Bonds or of the Indenture or any Supplemental Indenture, to the extent that such an amendment is permitted by this Article, to become effective when and as approved by written consent of the Bondholders, and any necessary Security Instrument Issuers and Reserve Instrument Issuers, and as provided in this Section. Such Supplemental Indenture shall not be effective unless there shall have been filed with the City or the Trustee the written consents of the necessary number of Holders of the Bonds then Outstanding and the consents of any necessary Security Instrument Issuers and Reserve Instrument Issuers, and a notice shall have been published as hereinafter in this Section provided. It shall not be necessary for any consent under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Each consent of a Bondholder shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 12.04. Any such consent shall be binding upon the Holder of the Bonds giving such consent and on any subsequent Holder thereof (whether or not such subsequent Holder has notice thereof) unless such consent is revoked in writing by the

Holder of the Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the City and the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed. Notice of the execution and delivery of such Supplemental Indenture shall be mailed by the City to Bondholders (but failure to mail copies of such notice shall not affect the validity of the Supplemental Indenture when assented to by the requisite percentage of the Holders of the Bonds as aforesaid) and to each Security Instrument Issuer and Reserve Instrument Issuer of a Security Instrument or a Reserve Instrument as the case may be, then in full force and effect and not in default in a payment obligation.

**Section 8.04. *Disqualified Bonds.*** Bonds owned or held by or for the account of the City shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds in this Article provided for, and neither the City nor any owner or Holder of such Bonds shall be entitled to vote or consent to, or to take, any other action provided for in this Article. Any Pledged Bonds shall be deemed Outstanding and, for the purposes of any vote, shall be considered to be owned by the appropriate Security Instrument Issuer.

**Section 8.05. *Effect of Modification or Amendment.*** When any Supplemental Indenture modifying or amending the provisions of the Indenture or any Supplemental Indenture shall become effective, as provided in this Article, the Indenture or such Supplemental Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under the Indenture or such Supplemental Indenture of the City, the Trustee, any Security Instrument Issuer, any Reserve Instrument Issuer, and all Holders of Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be and be deemed to be part of the terms and conditions of the Indenture or the modified or amended Supplemental Indenture for any and all purposes.

**Section 8.06. *Endorsement or Replacement of Bonds Issued After Amendments.*** The City or the Trustee may determine that Bonds executed and delivered after the effective date of a Supplemental Indenture executed and delivered as provided in this Article shall bear a notation, by endorsement or otherwise, in form approved by the City, as to the modification or amendment provided for by such Supplemental Indenture. In that case, upon demand of the Holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust operations office of the Trustee or at such other office as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, so modified as in the opinion of the City is necessary to conform to such Supplemental Indenture, shall be prepared, executed and delivered. In that case, upon demand of the Holder of any Bond then Outstanding, such new Bonds shall be exchanged at the principal corporate trust operations office of the Trustee without cost to any Bondholder, for Bonds then Outstanding, upon surrender of such Bonds.

**Section 8.07. *Irrevocable Consent.*** Subject to Section 8.03, any consent pursuant to the provisions of this Article by any Holder of a Bond shall be irrevocable, and shall be conclusive and binding upon all future Holders of the same Bond delivered on transfer thereof or in exchange therefor or in replacement thereof.

## ARTICLE IX

### EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

**Section 9.01. Events of Default.** The occurrence of one or more of the following events shall constitute an “*Event of Default*”:

(a) failure by the City to make the due and punctual payment of the Principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(b) failure by the City to make the due and punctual payment of any installment of interest on any Bond or any Sinking Fund Installment when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) failure by the City to observe any of the covenants, agreements or conditions on its part contained in the Indenture or in the Bonds contained, and failure to remedy the same for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the City by the Trustee, or to the City and the Trustee by the Holders of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding;

(d) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of Title 11, United States Code (as the same may from time to time be hereafter amended), or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against the City and, if instituted against the City, said proceedings are consented to or are not dismissed within 30 days after such institution; or

(e) any event specified in a Supplemental Indenture as constituting an Event of Default under the Indenture;

*provided* that any failure by the City to make payment as described in subparagraph (a) or (b) of this Section shall not constitute an Event of Default with respect to any Bond if the Supplemental Indenture authorizing the issuance of such Bond provides that due and punctual payment by a Security Instrument Issuer or a Reserve Instrument Issuer shall not give rise to an Event of Default and such payment is, in fact, duly and punctually made.

The Trustee shall give notice to any Security Instrument Issuer or Reserve Instrument Issuer of any Event of Default known to the Trustee within 30 days after it has knowledge thereof.

### **Section 9.02. Remedies.**

(a) Upon the occurrence and continuance of an Event of Default:

(i) the Trustee may proceed, and

(ii) upon the written request of (x) the Holders of a majority of the Principal amount of the Outstanding Bonds, (y) Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure a majority in aggregate Principal amount of the Bonds then Outstanding, or (z) any combination of Bondholders and Security Instrument Issuers described under clauses (x) and (y) representing a majority in aggregate Principal amount of the Bonds at the time Outstanding, shall proceed,

to protect and enforce its rights and the rights under the Indenture of the Bondholders, the Security Instrument Issuers and the Reserve Instrument Issuers forthwith by any available remedy, including, without limitation, suit or suits in equity or at law, whether for the payment of any amount due hereunder or on the Bonds, or for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted or any remedy granted under the Act, or for an accounting against the City, as if the City were the trustee of an express trust, or in the enforcement of any other legal or equitable right, as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

(b) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders or other parties as plaintiffs or defendants.

(c) No delay in exercising or omission to exercise any remedy, right or power accruing upon any Event of Default shall impair that remedy, right or power or shall be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

(d) In case the Trustee shall have proceeded to enforce any remedy, right or power under this Indenture in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee, the Bondholders, the Security Instruments Issuers and the Reserve Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

***Section 9.03. Accounting and Examination of Records After Default.*** The City covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and accounts of the City and all other records of the City relating to the Revenues shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys. The City covenants that if an Event of Default shall happen and shall not have been remedied, the City, upon demand of the Trustee, will account, as if it were the trustee of an

express trust, for all Revenues and other moneys, securities and funds pledged or held under the Indenture for such period as shall be stated in such demand.

***Section 9.04. Application of Revenues and Other Moneys after Default.***

(a) During the continuance of an Event of Default, the Trustee shall apply Revenues and such moneys, securities and funds and the income therefrom as follows and in the following order, *provided* that moneys held in any Series Subaccount in the Bond Service Account or in the Debt Service Reserve Account or received under any Security Instrument shall not be used for purposes other than payment of the interest and Principal or Redemption Price then due on the Series of Bonds corresponding to such Series Subaccount or such Security Instrument in accordance with paragraph (3) of this Section:

(1) to the payment of the reasonable and proper charges and expenses of the Trustee and the reasonable fees and disbursements of its counsel;

(2) to the payment of the interest and Principal or Redemption Price then due on the Bonds and Security Instrument Repayment Obligations, as follows:

FIRST: to the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the Security Instrument Repayment Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

SECOND: to the payment to the persons entitled thereto of the unpaid Principal or Redemption Price of any Bonds and Security Instrument Repayment Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds and Security Instrument Repayment Obligations due on any date, then to the payment thereof ratably, according to the amounts of Principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

(3) to the payment of all obligations owed to all Reserve Instrument Issuers according to the amounts due without any discrimination or preference.

(b) If and whenever all overdue installments of interest on all Bonds and Repayment Obligations, together with the reasonable and proper charges and expenses of the Trustee, and all other sums payable by the City under the Indenture, including the Principal and Redemption Price of and accrued unpaid interest on all Bonds and Repayment Obligations which shall then

be payable, shall either be paid by or for the account of the City, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee and the Repayment Obligations shall be made good or secured to the satisfaction of the Security Instrument Issuers and the Reserve Instrument Issuers as appropriate, or provision deemed by the Trustee and, in the case of Repayment Obligations, to the Security Instrument Issuers and the Reserve Instrument Issuers, as appropriate, to be adequate shall be made therefor, the Trustee shall pay over to the City all such Revenues then remaining unexpended in the hands of the Trustee (except Revenues deposited or pledged, or required by the terms of the Indenture to be deposited or pledged, with the Trustee), and thereupon the City and the Trustee shall be restored, respectively, to their former positions and rights under the Indenture, and all Revenues shall thereafter be applied as provided in Article V. No such payment over to the City by the Trustee or resumption of the application of Revenues as provided in Article V shall extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

***Section 9.05. Rights and Remedies of Bondholders.***

(a) No Holder of any Bond, any Security Instrument Issuer or Reserve Instrument Issuer shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Holder, Security Instrument Issuer or Reserve Instrument Issuer has previously given written notice to the Trustee of a continuing Event of Default;

(2) either (x) the Holders of not less than 25% in aggregate Principal amount of the Outstanding Bonds, (y) Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure 25% in aggregate Principal amount of the Bonds at the time Outstanding, or (z) any combination of Bondholders and Security Instrument Issuers described in clauses (x) and (y) representing not less than 25% in aggregate Principal amount of the Bonds at the time Outstanding, shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holders or Security Instrument Issuers have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by (x) the Holders of a majority in Principal amount of the Outstanding Bonds, (y) Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment

obligation and which secure a majority in aggregate Principal amount of the Bonds then Outstanding, or (z) any combination of Bondholders and Security Instrument Issuers described in clauses (x) and (y) representing a majority in aggregate Principal amount of the Bonds at the time Outstanding;

it being understood and intended that no one or more Holders of Bonds or Security Instrument Issuers shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other such parties, or to obtain or to seek to obtain priority or preference over any other such parties or to enforce any right under this Indenture, except in the manner herein and therein provided and for the equal and ratable benefit of all such parties in accordance with the provisions of the Indenture.

(b) Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the Principal of, Redemption Price and interest on such Bond on the respective stated maturities expressed in such Bond (or, in the case of redemption, on the redemption date of such Bond) and to institute suit for the enforcement of any such payment, subject only to any conditions of any Security Instrument Issuer providing a Security Instrument securing such Bond. Such right to receive payment shall not be impaired without the consent of such Holder.

(c) (i) The Holders of a majority of the Principal amount of the Outstanding Bonds, (ii) Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure a majority in aggregate Principal amount of the Bonds then Outstanding, or (iii) any combination of Bondholders and Security Instrument Issuers described under clauses (i) and (ii) representing a majority in aggregate Principal amount of the Bonds at the time Outstanding, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that:

(1) such direction shall not be in conflict with any rule of law or this Indenture,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders and Security Instrument Issuers not taking part in such direction, and

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

**Section 9.06. Appointment of Receiver.** Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders, the Security Instrument Issuers and the Reserve Instrument Issuers, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the trust estate created hereby, including, without limitation, the proceeds of the sale of the Bonds, the Revenues and the Funds, including the investments, if any, thereof, pending such proceedings, with such powers as a court making such appointments shall confer.

**Section 9.07. Non-Waiver.** Nothing in this Article or in any other provision of the Indenture or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the Principal and Redemption Price of and interest on the Bonds and the Repayment Obligations to the respective Holders of the Bonds, the Security Instrument Issuers and the Reserve Instrument Issuers, as appropriate, at the respective dates of maturity, or upon call for redemption, as herein provided, out of the Revenues, Funds and other moneys, securities and funds herein pledged for such payment, or affect or impair the right of action, which is also absolute and unconditional, of such Holders, Security Instrument Issuers or Reserve Instrument Issuers, as appropriate, to institute suit to enforce such payment by virtue of the contract embodied in the Bonds and Repayment Obligations. No delay or omission of the Trustee or of any Holder of the Bonds or, with respect to Repayment Obligations, of any Security Instrument Issuer or Reserve Instrument Issuer as appropriate, to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or to the Holders of Bonds or, with respect to Repayment Obligations, to Security Instrument Issuers and Reserve Instrument Issuers, as appropriate, may be exercised from time to time and as often as shall be deemed expedient by the Trustee, the Holders of the Bonds, the Security Instrument Issuers and the Reserve Instrument Issuers.

**Section 9.08. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Holders of Bonds or, with respect to Repayment Obligations, to Security Instrument Issuers and Reserve Instrument Issuers, as appropriate, is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Trustee, the Holder of any one or more of the Bonds or, with respect to Repayment Obligations, by Security Instrument Issuers and Reserve Instrument Issuers, as appropriate. Nothing herein contained shall permit the levy of any attachment or execution upon any of the properties of the City, nor shall any properties of the City be subject to forfeiture by reason of any default hereunder, it being expressly understood and agreed by each and every Bondholder by the acceptance of any Bond and by each and every Security Instrument Issuer and Reserve Instrument Issuer by entering into Security Instrument Agreements and Reserve Instrument Agreements, as appropriate, that the rights of all such Bondholders, Security Instrument Issuers and Reserve Instrument Issuers are limited and restricted to the use and application of Revenues, Funds and other moneys, securities and funds pledged under the Indenture in accordance with the terms of the Indenture.

**Section 9.09. Waivers of Events of Default.** The Trustee:

- (i) may waive, and
- (ii) upon the written direction of (x) the Holders of a majority of the Principal amount of the Outstanding Bonds, (y) Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure a majority in aggregate Principal amount of the Bonds then

Outstanding, or (z) any combination of Bondholders and Security Instrument Issuers described under clauses (x) and (y) representing a majority in aggregate Principal amount of the Bonds at the time Outstanding, shall waive,

any Event of Default hereunder and its consequences; *provided, however*, that (x) there shall not be waived any Event of Default specified in Section 9.01(a) or Section 9.01(b) hereof unless prior to such waiver the City shall have caused to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the Principal of any and all Bonds which shall have become due (with interest upon such Principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum specified in the Bonds) and (y) no Event of Default shall be waived unless (in addition to the applicable conditions as aforesaid) there shall have been deposited with the Trustee such amounts as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee. No such waiver shall extend to or shall affect any subsequent default or Event of Default or shall impair any remedy, right or power consequent thereon.

## **ARTICLE X**

### **DEPOSITS AND INVESTMENT OF FUNDS**

#### ***Section 10.01. Deposits.***

(a) All moneys held by the Trustee under the provisions of the Indenture shall be deposited with the Trustee. All moneys held by the City under the Indenture shall be deposited in the name of the City in the Treasurer's Investment Fund or in one or more Agents. All moneys deposited under the provisions of the Indenture with the Trustee or any Agent shall be held in trust and applied only in accordance with the provisions of the Indenture, and each of the Funds established by the Indenture shall be a trust fund for the purposes thereof.

(b) Each Agent (other than the Trustee) shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, having deposits insured by an agency of the United States of America, having capital stock, undivided profits and surplus aggregating at least \$25,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Indenture. Each Agent (other than the Trustee) shall signify its acceptance of the duties imposed upon it pursuant to the Indenture by depositing with the Trustee a written acceptance of such duties, together with a certificate stating that it is duly qualified to perform such duties under the terms of the Indenture and under all applicable local, state and federal laws.

(c) All Revenues and other moneys held by any Agent under the Indenture may be placed on demand or time deposit, if and as directed by the City, *provided* that such deposits shall permit the moneys so held to be available for use at the time when needed. The City and the Trustee shall not be liable for any loss or depreciation in value resulting from any investment made pursuant to the Indenture. Any such deposit may be made in the commercial banking department of any Agent which may honor checks and drafts on such deposit with the same force

and effect as if it were not such Agent. All moneys held by any Agent, as such, may be deposited by such Agent in its banking department on demand or, if and to the extent directed by the City and acceptable to such Agent, on time deposit, *provided* that such moneys on deposit be available for use at the time when needed. Such Agent shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(d) All moneys deposited with the Trustee and each Agent shall be credited to the particular Fund or account to which such moneys belong; *provided, however*, nothing herein contained shall prohibit the City from directing the Trustee or a Agent by a Written Request of the City to make inter-Fund or account transfers of investments at the market value of the investments so transferred, as such market value shall be determined by the City at the time of transfer and set forth in the Written Request. The Trustee shall be entitled to rely on the determination set forth in the Written Request.

#### ***Section 10.02. Investment of Funds.***

(a) Moneys held in any Fund or account shall be invested and reinvested by the City or the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund or account, subject to the following:

(1) the Trustee shall make such investments only in accordance with written instructions received from an Authorized Officer of the City;

(2) any Supplemental Indenture authorizing a Series of Bonds may impose additional restrictions on moneys held in any Fund or account; and

(3) any Supplemental Indenture authorizing a Series of Bonds may authorize the investment of moneys to be held in any Project Account, Series Subaccount in the Bond Service Account or Series Subaccount in the Debt Service Account created by such Supplemental Indenture and relating to such Series of Bonds in such other investments as may be specified by the Supplemental Indenture.

(b) Subject to any required rebate of earnings on investments in any Fund or account to the United States of America pursuant to Section 148(f) of the Code and except as otherwise provided in a Supplemental Indenture establishing a Project Account or a Series Subaccount: (i) all moneys earned as an investment of moneys in the Construction Fund shall be retained therein; (ii) net income earned on any moneys or investments in the Revenue Fund and the Bond Service Account shall remain in or be transferred to the Revenue Fund; (iii) whenever a Series Subaccount in the Debt Service Reserve Account is in its full required amount, net income earned on any moneys or investments in such Series Subaccount shall be transferred to the corresponding Series Subaccount in the Bond Service Account as provided in Section 5.08(c), otherwise, to be retained therein.

(c) The Trustee shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section 10.02. The Trustee shall be entitled to assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is an Investment Security, remains an Investment Security thereafter.

(d) The Trustee may make any and all investments permitted by the provisions of this Section 10.02 through its own investment department or that of its affiliates. As and when any amount invested pursuant to this Article X may be needed for disbursement, the Trustee may cause a sufficient amount of such investments to be sold and reduced to cash to the credit of such funds. The City acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the City the right to receive brokerage confirmations of security transactions, the City waives receipt of such confirmations. The Trustee shall furnish to the City periodic statements that include detail of all investment transactions made by the Trustee.

**Section 10.03. Arbitrage Covenant.** The City covenants that moneys on deposit in any Fund, whether or not such moneys were derived from proceeds of sales of Bonds or from any other sources, will not be used in a manner which will cause any Bonds, the interest on which is to be exempt from federal income taxation under the Code, to be “arbitrage bonds” within the meaning of Section 148 of the Code; *provided, however*, that this covenant shall not prevent the issuance of a Series of Bonds the interest on which is subject to federal income taxation under the Code.

## ARTICLE XI

### DEFEASANCE

**Section 11.01. Discharge of Indebtedness.**

(a) If the City shall pay or cause to be paid, or there shall otherwise be paid, subject to any limitations contained in a Supplemental Indenture with respect to a Series of Bonds, to the Holders of all Bonds the Principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture and if all Repayment Obligations owed to Security Instrument Issuers and Reserve Instrument Issuers shall have been paid in full, then the pledge of any Revenues and other moneys, securities and Funds pledged under the Indenture and all covenants, agreements and other obligations of the City to the Bondholders, Security Instrument Issuers and Reserve Instrument Issuers shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the City to be prepared and filed with the City and, upon the request of the City, shall execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and the Agents shall pay over or deliver to the City all moneys or securities held by them pursuant to the Indenture which are not required for the payment of Principal or Redemption Price, if applicable, and interest on Bonds not theretofore surrendered for such payment or redemption. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any

Outstanding Bonds the Principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the City to the Holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit by the City of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section, unless otherwise provided in a Supplemental Indenture with respect to a Series of Bonds. Subject to any further conditions in a Supplemental Indenture with respect to a Series of Bonds, all Outstanding Bonds of any Series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if:

(1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in Article IV notice of redemption of such Bonds on said date;

(2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or noncallable Government Obligations (including any Government Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the Principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and

(3) in the event said Bonds are not by their terms subject to redemption within the next succeeding 90 days, the City shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Holders of such Bonds that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the Principal or Redemption Price, if applicable, on said Bonds.

Neither Government Obligations nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal or Redemption Price, if applicable, and interest on said Bonds; *provided* that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when

due the Principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Trustee, free and clear of any trust, lien or pledge.

**Section 11.02. Unclaimed Moneys.** Anything in the Indenture to the contrary notwithstanding, any moneys held by an Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for four years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Agent at such date, or for four years after the date of deposit of such moneys if deposited with the Agent after the said date when such Bonds become due and payable, shall, at the Written Request of the City, be repaid by the Agent to the City, as its absolute property and free from trust, and the Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the City for the payment of such Bonds.

## **ARTICLE XII**

### **MISCELLANEOUS**

**Section 12.01. Limited Liability of City.** Notwithstanding anything in the Indenture contained, the City shall not be required to advance any moneys derived from any source of income other than the Revenues and other moneys, securities and Funds pledged under the Indenture for the payment of the Principal or Redemption Price of or interest on the Bonds, for Repayment Obligations. Nevertheless, the City may, but shall not be required to, advance for any of the purposes hereof any funds of the City which may be available to it for such purposes.

**Section 12.02. Benefits of Indenture Limited to Parties.** Nothing in the Indenture, expressed or implied, is intended to give to any person other than the City, the Trustee, any Paying Agent, any Transfer Agent, any Remarketing Agent, any Depositary, the Holders of the Bonds, any Security Instrument Issuer or any Reserve Instrument Issuer, any right, remedy or claim under or by reason of the Indenture. Any covenants, stipulations, promises or agreements in the Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the Trustee, the Paying Agents, any Transfer Agent, any Remarketing Agent, any Depositary, the Holders of the Bonds, any Security Instrument Issuer and any Reserve Instrument Issuer.

**Section 12.03. Successor is Deemed Included in All References to Predecessor.** Whenever in the Indenture the City, the Trustee, any Paying Agent, any Transfer Agent, any Remarketing Agent, any Depositary, any Security Instrument Issuer or any Reserve Instrument Issuer is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in the Indenture contained by or on behalf of the City, the Trustee, any Transfer Agent, any Paying Agent, any Remarketing Agent, any Depositary, any Security Instrument Issuer or any Reserve Instrument Issuer shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 12.04. Execution of Documents by Bondholders.** Any request, declaration or other instrument which the Indenture may require or permit to be executed by Bondholders may be in one or more instruments of similar tenor, and shall be executed by Bondholders in person or by their attorneys appointed in writing.

Except as otherwise expressly provided, the fact and date of the execution by any Bondholder or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of the Bonds and the amount, maturity, number and date of holding the same shall be proved by the Bond register.

Any request, declaration or other instrument or writing of the Holder of any Bond shall bind all future Holders of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith or in reliance thereon.

**Section 12.05. Waiver of Notice.** Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 12.06. Cremation or Destruction of Cancelled Bonds.** Whenever in the Indenture provision is made for the surrender to the City of any Bonds which have been paid or cancelled pursuant to the provisions of the Indenture, the City may, by a Written Request of the City, but shall not unless otherwise provided by law be required to, direct the Trustee to cremate or destroy such Bonds and to furnish to the City a certificate of such cremation or destruction.

**Section 12.07. Payments Due on Other Than Business Days.** Except as otherwise provided in a Supplemental Indenture, in any case where the date of payment of principal, premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds, on the date for performing any act or exercising any right, shall be a day other than a Business Day, then payment of interest or principal and premium, if any, or the performance of such act or exercise of such right need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if it had been made on the date scheduled for such payment, performance, or exercise.

**Section 12.08. Governing Law.** The Indenture shall be governed by and construed in accordance with the laws of the State.

**Section 12.09. System of Registration.** This Indenture shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code.

**Section 12.10. Plan of Financing.** This Indenture shall constitute a plan of financing within the meaning and for all purposes of Section 11-14-14(3), Utah Code.

**Section 12.11. Article and Section Headings.** All references herein to “Articles”, “Sections” and other subdivisions are to the corresponding articles, sections or subdivisions of the Indenture, and the words “hereby,” “herein”, “hereof,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular article, section or subdivision hereof. The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the Indenture.

**Section 12.12. Partial Invalidity.** If any one or more of the covenants or agreements, or portions thereof, provided in the Indenture to be performed shall be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the Indenture or of the Bonds; but the Bondholders, any Security Instrument Issuer and any Reserve Instrument Issuer shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

**Section 12.13. Notices.** Except as otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Indenture shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid, as follows:

- [(i) IF TO THE CITY:  
Salt Lake City  
451 South State Street  
Salt Lake City, Utah 84111  
Attention: City Treasurer]
- [(ii) IF TO THE TRUSTEE:  
Zions First National Bank, as Trustee  
One South Main, 12th Floor  
Salt Lake City, Utah 84133-1109  
Attention: Dawn Richards]

or to such other person or addresses as the respective party hereafter designates in writing to the City and the Trustee.

**Section 12.14. Counterparts.** This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

**Section 12.15. Effective Date.** This Indenture shall become effective immediately.

**Section 12.16. Compliance with Local Government Bonding Act and Refunding Bond Act.** It is hereby declared by the Council that it is the intention of the City by the execution of

this Indenture to comply in all respects with the applicable provisions of the Local Government Bonding Act and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code, and other applicable provisions of law.

***Section 12.17. Representation Regarding Ethical Standards for City Officers and Employees and Former City Officers and Employees.*** The Trustee represents that it has not: (a) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (b) retained any person to solicit or secure this Indenture upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (c) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

*(Signature page follows.)*

IN WITNESS WHEREOF, the City has caused this Indenture to be executed by the Mayor and countersigned by the City Recorder, and its official seal to be hereunto affixed and attested by the City Recorder, and to evidence its acceptance of the trusts hereby created, Zions First National Bank has caused this Indenture to be executed by its Vice President, all as of the date hereof.

SALT LAKE CITY, UTAH

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

COUNTERSIGN:

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

[SEAL]

APPROVED AS TO FORM:

By  \_\_\_\_\_  
Senior City Attorney

ZIONS FIRST NATIONAL BANK,  
as Trustee

By \_\_\_\_\_  
Vice President

**FIRST SUPPLEMENTAL TRUST INDENTURE**

**BETWEEN**

**SALT LAKE CITY, UTAH**

**AND**

**ZIONS FIRST NATIONAL BANK,  
AS TRUSTEE**

**DATED AS OF AUGUST 1, 2014**

**\$\_\_\_\_\_**  
**MOTOR FUEL EXCISE TAX REVENUE BONDS,**  
**SERIES 2014**

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## EXHIBIT A — FORM OF BOND

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the "*First Supplemental Indenture*"), dated as of August 1, 2014, between Salt Lake City, Utah, a municipal corporation and political subdivision of the State of Utah (the "*City*"), and Zions First National Bank, a national banking association duly organized and qualified under the laws of the United States of America, authorized by law to accept and execute trusts and having an office in Salt Lake City, Utah (the "*Trustee*");

## WITNESSETH

WHEREAS, the City has entered into a Master Trust Indenture, dated as of August 1, 2014 (the "*Master Indenture*" and, together with the First Supplemental Indenture, the "*Indenture*"), with the Trustee;

WHEREAS, the City considers it necessary and desirable and for the benefit of the City and its residents to issue motor fuel tax revenue bonds pursuant to the Indenture and as hereinafter provided for the purpose of (a) financing a portion of the cost of constructing, repairing and maintaining streets and roads within the City's boundaries (the "*Series 2014 Project*"); (b) funding any necessary reserves and contingencies in connection with the Series 2014 Bonds (defined below) and (c) paying all related costs authorized by law pursuant to authority contained in the Local Government Bonding Act, Chapter 14 of Title 11, and Section 72-2-108, each of the Utah Code Annotated 1953, as amended;

WHEREAS, the \$\_\_\_\_\_ Salt Lake City, Utah, Motor Fuel Excise Tax Revenue Bonds, Series 2014 (the "*Series 2014 Bonds*") will be authorized, issued and secured under the Indenture on a parity with all other Bonds (as defined in the Indenture) issued and outstanding from time to time thereunder; and

WHEREAS, the execution and delivery of the Series 2014 Bonds and of this First Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2014 Bonds, when executed by the City and authenticated by the Trustee, the valid and binding legal obligations of the City and to make this First Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

The terms and conditions upon which the Series 2014 Bonds are to be executed, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become Registered Owners thereof are as follows:

## ARTICLE I

### DEFINITIONS AND AUTHORITY

#### *Section 101. Definitions.*

(a) Except as provided in Section 101(b), all defined terms contained in the Master Indenture shall have the same meanings when used in this First Supplemental Indenture as set forth in the Master Indenture.

(b) As used in this First Supplemental Indenture, the following terms shall have the following meanings, unless the context otherwise requires:

[“*Beneficial Owner*” means, when the Series 2014 Bonds are registered in the Book-Entry System, any person who acquires a beneficial ownership interest in a Series 2014 Bond held by the Securities Depository.]

“*Bond Counsel*” means Chapman and Cutler LLP, or other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

[“*Book-Entry System*” means the system maintained by the Securities Depository and described in Section 210.]

[“*Cede*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2014 Bonds pursuant to Section 210 hereof.]

“*Closing Date*” means [August 20], 2014.

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

“*First Supplemental Indenture*” means this First Supplemental Trust Indenture, dated as of August 1, 2014, between the City and the Trustee.

“*Indenture*” means the Master Indenture as amended and supplemented by this First Supplemental Indenture and as from time to time hereafter amended and supplemented by Supplemental Indentures.

“*Issue Date*” means the date of initial authentication and delivery of the Series 2014 Bonds, as designated in Section 203 hereof.

“*Master Indenture*” means the Master Trust Indenture, dated as of August 1, 2014, as amended and supplemented to the date hereof, between the City and the Trustee.

*“Opinion of Bond Counsel”* means an opinion of Bond Counsel experienced in matters relating to the tax exemption of interest on obligations issued by states and their political subdivisions.

[*“Participants”* means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Series 2014 Bonds as securities depository.]

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

*“Principal Corporate Trust Office”* means, with respect to the Trustee, the office of the Trustee at One South Main, 12th Floor, Salt Lake City, Utah 84133-1109, Attention: Dawn Richards, or such different or additional offices as may be specified in writing by the Trustee to the City and the Holders of Series 2014 Bonds.

*“Purchaser”* means \_\_\_\_\_.

*“Record Date”* means the fifteenth day of the month next preceding any interest payment date.

[*“Representation Letter”* means the Blanket Issuer Letter of Representations, dated May 30, 1995, between the City and DTC relating to a book-entry system for bonds and other obligations of the City.]

[*“Securities Depository”* means DTC or its nominee, and its successors and assigns.

*“Securities Depositories”* means The Depository Trust Company, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, Fax: (212) 855-7232; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories, or no such depositories, as the City may designate in a certificate delivered to the Trustee.]

*“Series 2014 Bonds”* means the City’s Motor Fuel Excise Tax Revenue Bonds, Series 2014, authorized by this First Supplemental Indenture.

*“Series 2014 Bond Service Subaccount”* means the Series Subaccount for the Series 2014 Bonds in the Bond Service Account established pursuant to Section 302 hereof.

*“Series 2014 Debt Service Reserve Requirement”* means the amount, if any, required to be deposited in the Series 2014 Debt Service Reserve Subaccount pursuant to Section 304 hereof.

*“Series 2014 Debt Service Reserve Subaccount”* means the Series Subaccount for the Series 2014 Bonds in the Debt Service Reserve Account established in Section 303 hereof.

“*Series 2014 Project*” means, constructing, repairing and maintaining streets and roads within the City’s boundaries, including the reconstruction of 1300 South from State Street to 500 West and the reconstruction of 1700 South from State Street to 700 East.

“*Series 2014 Project Account*” means the Project Account in the Construction Fund established pursuant to Section 301 hereof.

“*State*” means the State of Utah.

“*Tax Exemption Certificate*” means any agreement or certificate executed and delivered by the City in order to assure the tax-exempt status of interest received on the Series 2014 Bonds.

“*Trustee*” means Zions First National Bank, in Salt Lake City, Utah, and its successors and permitted assigns under the Indenture.

The terms “*hereby*,” “*hereof*,” “*hereto*,” “*herein*,” “*hereunder*,” and any similar terms as used in this First Supplemental Indenture, refer to this First Supplemental Indenture.

(c) Except as otherwise specified, each reference herein (i) to a time of day is to the time on such day in New York, New York, and (ii) to a Section is to the referenced Section hereof.

***Section 102. Authority for First Supplemental Indenture.*** This First Supplemental Indenture is adopted pursuant to the provisions of the Act and the Indenture.

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2014 BONDS

***Section 201. Authorization of Series 2014 Bonds, Principal Amount, Designation and Series.*** In order to provide funds for constructing, repairing and maintaining the Series 2014 Project and in accordance with and subject to the terms, conditions and limitations established in the Indenture, including this First Supplemental Indenture, a Series of Motor Fuel Excise Tax Revenue Bonds, designated “*Motor Fuel Excise Tax Revenue Bonds, Series 2014*,” is hereby authorized to be issued in the aggregate Principal amount of \$\_\_\_\_\_.

***Section 202. Finding and Purpose.*** The City hereby finds, determines and declares that:

(a) The requirements of Sections 2.02 and 2.03 of the Indenture will have been complied with upon the delivery of the Series 2014 Bonds.

(b) The Series 2014 Bonds are hereby authorized to be issued pursuant to Sections 2.02 and 2.03 of the Indenture for the purpose of providing an amount that will be sufficient to provide for the payment of a portion of the Cost of Construction of the Series 2014 Project.

(c) As of the Issue Date, the City will have no other bonds, notes or other obligations issued or authorized to be issued or outstanding pursuant to the Indenture and there will be no other outstanding bonds, notes or other obligations payable from and secured by a parity pledge of Revenues.

**Section 203. Issue Date.** The Series 2014 Bonds shall be dated as of the date of delivery thereof.

**Section 204. Series 2014 Bonds.** (a) The Series 2014 Bonds shall mature on the dates and in the principal amounts and shall bear interest from the date of delivery thereof, payable semi-annually thereafter on \_\_\_\_\_ and \_\_\_\_\_ in each year, beginning \_\_\_\_\_, 20\_\_, at the rates shown below:

MATURITY (_____)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

(b) Each Series 2014 Bond shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless it is registered as of an interest payment date, in which event it shall bear interest from the date thereof, or unless it is registered prior to the first interest payment date, in which event it shall bear interest from its date, or unless, as shown by the records of the Trustee, interest on the Series 2014 Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full.

**Section 205. Registered Bonds; Denomination and Numbers.** The Series 2014 Bonds shall be issued solely as fully-registered Bonds, without coupons, in the denomination of \$[5,000] or any whole multiple thereof; *provided* that no individual Series 2014 Bond shall

represent more than one maturity of Series 2014 Bonds. The Series 2014 Bonds shall be numbered from one (1) consecutively upwards with the prefix "R" preceding each number.

**Section 206. *Paying Agent.*** Zions First National Bank, as Trustee, is hereby appointed the Paying Agent for the Series 2014 Bonds, pursuant and subject to Section 7.02 of the Indenture. Principal of and Redemption Price on the Series 2014 Bonds when due shall be payable at the principal corporate trust operations office of the Trustee, or of its successor as Paying Agent. Payment of interest on the Series 2014 Bonds shall be made to the registered owner thereof and shall be paid by check or draft mailed on the payment date to the person who is the registered owner of record as of the close of business on the Record Date at his address as it appears on the registration books of the Trustee or at such other address as is furnished in writing by such registered owner to the Trustee prior to the Record Date. [In the written acceptance of each Paying Agent referred to in Section 7.02 of the Indenture, such Paying Agent shall agree to take all action necessary for all representations of the City in the Letter of Representations with respect to the Paying Agent to at all times be complied with.]

**Section 207. *Optional Redemption and Redemption Price.*** (a) The Series 2014 Bonds maturing on or after \_\_\_\_\_, 20\_\_, are subject to redemption, in whole or in part, at the election of the City, on any date on or after \_\_\_\_\_, 20\_\_ (if in part, such Series 2014 Bonds to be redeemed shall be selected from such maturities as shall be determined by the City in its discretion and within each maturity as selected by the Trustee), upon notice as provided in Section 4.03 of the Indenture, and at a Redemption Price equal to the principal amount thereof plus accrued interest to the redemption date.

(b) With respect to any notice of optional redemption of Series 2014 Bonds, unless upon the giving of such notice such Series 2014 Bonds shall be deemed to have been paid within the meaning of Article XI of the Indenture, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Series 2014 Bonds to be redeemed, and that if such money shall not have been so received said notice shall be of no force and effect, and the City shall not be required to redeem such Series 2014 Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

[(c) In addition to the notice described in Section 4.03 of the Indenture, further notice of any redemption of the Series 2014 Bonds shall be given by the Trustee as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as described in Section 4.03 of the Indenture.

(i) Each further notice of redemption given hereunder shall contain (A) the CUSIP numbers of all Series 2014 Bonds being redeemed; (B) the date of issue of the Series 2014 Bonds as originally issued; (C) the rate of interest borne by each Series 2014 Bond being redeemed; (D) the maturity date of each Series 2014 Bond being redeemed;

and (E) any other descriptive information needed to identify accurately the Series 2014 Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to:

The Depository Trust Company  
Call Notification Department  
570 Washington Blvd.  
Jersey City, New Jersey 07310  
Tele — (212) 855-7207, -7208 or -7209  
Fax — (212) 855-7232, -7233, -7234 or -7235

and to all other registered Securities Depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2014 Bonds designated to the Trustee by the City, to the Rating Agencies and to any other nationally recognized information services as designated by the City to the Trustee.

(iii) Each check or other transfer of funds issued for the payment of the redemption price of the Series 2014 Bonds being redeemed shall bear the CUSIP number identifying, by issue and maturity, the Series 2014 Bonds being redeemed with the proceeds of such check or other transfer.]

**Section 208. Execution and Authentication of Series 2014 Bonds.** The Series 2014 Bonds shall be executed on behalf of the City by the Mayor by manual or facsimile signature, and attested and countersigned by the City Recorder by manual or facsimile signature, and the City's seal shall be affixed to, or a facsimile thereof shall be imprinted upon, the Series 2014 Bonds. The Series 2014 Bonds shall then be delivered to the Trustee (or any Transfer Agent appointed pursuant to Section 7.10 of the Indenture) and manually authenticated by it.

**Section 209. Delivery of Series 2014 Bonds.** The Series 2014 Bonds shall be delivered to the Purchaser, upon compliance with the provisions of Section 3.02 of the Indenture, at such time and place as is agreed to by the City and the Purchaser.

[**Section 210. Book-Entry System.** The Series 2014 Bonds shall be initially issued in the name of Cede, as nominee for DTC as the initial Securities Depository and registered owner of the Series 2014 Bonds, and held in the custody of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity of the Series 2014 Bonds, and the Beneficial Owners will not receive physical delivery of Series 2014 Bond certificates except as provided herein. For so long as the Securities Depository shall continue to serve as securities depository for the Series 2014 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Series 2014 Bonds is to receive, hold or deliver any Series 2014 Bond certificate.

At the direction of the City, with notice to the Trustee, but without the consent of the Series 2014 Bondholders and the Trustee, the City may appoint a successor Securities Depository and enter into an agreement with the successor Securities Depository to establish procedures with respect to a Book-Entry System for the Series 2014 Bonds not inconsistent with the provisions of the Indenture. Any successor Securities Depository shall be a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended.

The City and the Trustee may rely conclusively upon (a) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System with respect to the Series 2014 Bonds and (b) a certificate of any such Participant as to the identity of and the respective Principal amount of the Series 2014 Bonds beneficially owned by the Beneficial Owners.

Whenever, during the term of the Series 2014 Bonds, the beneficial ownership thereof is determined by a book-entry at the Securities Depository, the requirements in the Indenture of holding, delivering or transferring such Series 2014 Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry to produce the same effect. Any provision hereof permitting or requiring delivery of the Series 2014 Bonds shall, while such Series 2014 Bonds are in the Book-Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law.

Except as otherwise specifically provided in the Indenture and the Series 2014 Bonds with respect to the rights of Participants and Beneficial Owners, when a Book-Entry System is in effect, the City and the Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Series 2014 Bonds registered in its name for the purposes of payment of the Principal or purchase price of and interest on such Series 2014 Bonds or portion thereof to be redeemed or purchased, of giving any notice permitted or required to be given to the Series 2014 Bondholders under the Indenture and of voting, and none of the City and the Trustee shall be affected by any notice to the contrary. None of the City or the Trustee will have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the bond register, with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the Principal amount or redemption or purchase price of, or interest on, any Series 2014 Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of any of the Series 2014 Bonds; or (v) any other action taken by the Securities Depository or any Participant. The Trustee shall pay all Principal or purchase price of and interest on the Series 2014 Bonds registered in the name of Cede only to or “upon the order of” the Securities Depository (as that term is used in the Uniform Commercial Code as adopted in Utah and New York), and all such payments shall be valid and effective to fully satisfy and discharge the City’s obligations with respect to the Principal or purchase price of and interest on such Series 2014 Bonds to the extent of the sum or sums so paid.

The Book-Entry System may be discontinued for the Series 2014 Bonds by the Trustee and the City, at the direction and expense of the City, and the City and the Trustee will cause the delivery of Series 2014 Bond certificates to such Beneficial Owners of the Series 2014 Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

(A) The Securities Depository determines to discontinue providing its service with respect to the Series 2014 Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' notice to the City and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(B) The City determines not to continue the Book-Entry System through a Securities Depository for the Series 2014 Bonds.

When the Book-Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect.

**Section 211. Representation Letter.** The City's execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 210 hereof or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Series 2014 Bonds other than the Holders thereof.

**Section 212. Partial Payment of Series 2014 Bonds Held by DTC.** In the event of a redemption or any other similar transaction necessitating a reduction in aggregate Principal amount of any of the Series 2014 Bonds outstanding, DTC in its discretion: (a) may request the Trustee to issue and authenticate a new Series 2014 Bond certificate, or (b) shall make an appropriate notation on the Series 2014 Bond certificate indicating the date and amounts of such reduction in Principal, except in the case of final maturity in which case the certificate must be presented to the Trustee prior to payment.

**Section 213. Payments to Cede.** Notwithstanding any other provision of this First Supplemental Indenture to the contrary, so long as any Series 2014 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to Principal of and interest on such Series 2014 Bond and all notices with respect to such Series 2014 Bond shall be made and given, respectively, in the manner provided in the Representation Letter.]

### ARTICLE III

#### ESTABLISHMENT OF ACCOUNTS AND APPLICATION OF SERIES 2014 BOND PROCEEDS

**Section 301. Series 2014 Project Account.** There is hereby established a Project Account in the Construction Fund designated as the "*Series 2014 Project Account.*" Moneys in the Series 2014 Project Account shall be used for the purposes and as authorized by Section 5.04 of the Indenture to pay the Costs of Construction of the Series 2014 Project.

**Section 302. Series 2014 Bond Service Subaccount.** Pursuant to Section 5.07(a) of the Indenture, there is hereby established a subaccount in the Bond Service Account in the Principal and Interest Fund designated as the “*Series 2014 Bond Service Subaccount.*” Moneys shall be deposited into and paid from the *Series 2014 Bond Service Subaccount* in accordance with Section 5.07 of the Indenture to pay the Principal of and interest on the Series 2014 Bonds.

**Section 303. Series 2014 Debt Service Reserve Subaccount.** In satisfaction of the requirement of Section 5.08(a) of the Indenture, there is hereby established a separate Series Subaccount in the Debt Service Reserve Account in the Principal and Interest Fund designated as the “*Series 2014 Debt Service Reserve Subaccount.*”

**Section 304. Series 2014 Debt Service Reserve Requirement.** The Series 2014 Debt Service Reserve Requirement will be \$-0-.

**Section 305. Application of Proceeds of Series 2014 Bonds.** From the proceeds of the Series 2014 Bonds there shall be paid to or on behalf of the Trustee for deposit as follows:

- (a) \$-0- into the Series 2014 Bond Service Subaccount;
- (b) \$-0- into the Series 2014 Debt Service Reserve Subaccount; and
- (c) The balance of the proceeds of the sale of the Series 2014 Bonds shall be deposited into the Series 2014 Project Account.

## ARTICLE IV

### COMPLIANCE WITH REBATE AND OTHER REQUIREMENTS OF THE CODE

**Section 401. Authorization and Covenants.** (a) Each Authorized Officer, or any one or more of them, are hereby authorized and directed to execute such Tax Exemption Certificates as shall be necessary to establish that (i) the Series 2014 Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code and applicable regulations, (ii) all applicable requirements of the Code are and will be met, (iii) the covenants of the City contained in this Article will be complied with, and (iv) interest on the Series 2014 Bonds, at the time of their issuance, is not and will not become includible in gross income of the owners thereof for federal income tax purposes under the Code and applicable regulations.

(b) The City covenants and certifies to and for the benefit of the Holders from time to time of the Series 2014 Bonds that:

- (i) it will at all times comply with the provisions of any Tax Exemption Certificate;
- (ii) it will at all times comply with the rebate requirements contained in Section 148(f) of the Code (or successor provision) including, without limitation,

establishing any necessary separate funds or accounts, entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made and the timely payment to the United States of all amounts, including any applicable penalties and interest, required to be rebated;

(iii) no use will be made of the proceeds of the issue and sale of the Series 2014 Bonds, or any funds or accounts of the City which may be deemed to be proceeds of the Series 2014 Bonds, pursuant to Section 148 of the Code (or successor provision) and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of the Series 2014 Bonds, would have caused the Series 2014 Bonds to be classified as “*arbitrage bonds*” within the meaning of Section 148 of the Code (or successor provision);

(iv) it will not take any action that would cause interest on the Series 2014 Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014 Bonds as provided in Section 103 of the Code (or successor provision), nor will it omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2014 Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014 Bonds as provided in Section 103 of the Code (or successor provision); and

(v) it acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Series 2014 Bonds, under present rules, the City may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

(c) Notwithstanding anything in the Indenture to the contrary and in accordance with the City’s covenants in this Article, all moneys and investments held in the Funds and Accounts established and administered under the Indenture shall be subject to the requirements of the Tax Exemption Certificate relating to the rebate of certain excess amounts computed in accordance with Section 148(f) of the Code (or successor provision) held therein to the United States at the times and in the amounts determined in accordance with the applicable provisions of the Tax Exemption Certificate to maintain the excludability of interest on the Series 2014 Bonds from gross income of the owners thereof for federal income tax purposes.

(d) Pursuant to the foregoing covenants, the City obligates itself to comply throughout the term of each of the Series 2014 Bonds with the requirements of Section 103 of the Code (or successor provision) and the regulations proposed or promulgated thereunder that must be satisfied for interest on such Series 2014 Bonds to be excludable from gross income for federal income tax purposes.

**Section 402. Creation of Series 2014 Rebate Fund.** Pursuant to Section 5.03(c) of the Indenture, there is hereby created by the City and ordered established with the Trustee an irrevocable trust fund, to be kept separate and apart from all other funds and accounts established

by this First Supplemental Indenture or the Indenture and designated “*Series 2014 Rebate Fund*,” which shall be administered in accordance with the Tax Exemption Certificate and the requirements of the Code. The Trustee shall make deposits to and disbursements from the Series 2014 Rebate Fund from time to time in accordance with the Tax Exemption Certificate and shall invest moneys on deposit in the Series 2014 Rebate Fund in accordance with the Tax Exemption Certificate.

**Section 403. Additional Payments.** The City hereby agrees to deposit into the Series 2014 Rebate Fund or pay to the United States from legally available moneys of the City (whether or not such available moneys are on deposit in any fund or account related to the Series 2014 Bonds) any amount which is required to be deposited into the Series 2014 Rebate Fund or paid to the United States as rebate pursuant to Section 148(f) of the Code (or successor provision), but which is not available in a fund or account related to the Series 2014 Bonds for transfer to the Series 2014 Rebate Fund or payment to the United States. This obligation shall not be construed as constituting a debt or liability of the City within the meaning of any constitutional limitation upon the incurrence of indebtedness by the City. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the City’s determinations, calculations and certifications required by this Section and the Trustee shall have no responsibility to independently make any calculations or determination or to review the City’s determinations, calculations and certifications required by this Section.

**Section 404. Investments to be Legal.** All investments subject to rebate shall be made to the extent permitted by law and shall comply with the investment provisions contained in the Tax Exemption Certificate.

**Section 405. Opinion of Bond Counsel; Amendments.** The provisions of this Article and the provisions of any Tax Exemption Certificate need not be observed and the provisions of this Article and any Tax Exemption Certificate may be amended or supplemented at any time by the City without the consent of any other Person if the Trustee receives an opinion of Bond Counsel to the effect that the failure to comply with such provisions, and the terms of such amendment or supplement, will not adversely affect the exclusion from federal income taxation of interest on the Series 2014 Bonds.

**Section 406. Additional Covenants; Agreements.** The City hereby covenants to make, execute and enter into (and to take such actions, if any, as may be necessary to enable it to do so) any Supplemental Indenture or Tax Exemption Certificate necessary to comply with any changes in law or regulations in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2014 Bonds to the extent that the City may lawfully do so. The City further covenants to (a) impose such limitations on the investment or use of moneys or investments related to the Series 2014 Bonds, (b) make such payments to the United States Treasury, (c) maintain such records, (d) perform such calculations, (e) execute any rebate calculation agreement deemed appropriate by the City, and (f) perform such other acts as may be necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Series 2014 Bonds, to the extent the City may lawfully do so.

## ARTICLE V

### FORM OF SERIES 2014 BONDS

**Section 501. Form of Series 2014 Bonds.** Subject to the provisions of the Indenture, each Series 2014 Bond shall be in substantially the form attached hereto as *Exhibit A*, 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 or permitted by the Indenture.

## ARTICLE VI

### MISCELLANEOUS

**Section 601. System of Registration.** The Indenture shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended.

**Section 602. Authorized Officer.** The Mayor, the Deputy Mayor, the City Recorder, any Deputy City Recorder, the City Treasurer, the Debt Manager of the City, or other officers of the City are each hereby designated as an “Authorized Officer” as that term is defined in Section 1.01 of the Indenture.

**Section 603. Notice to Rating Agencies.** The Trustee will promptly notify in writing each Rating Agency then rating the Series 2014 Bonds of the following events:

- (a) the redemption, purchase, payment, acceleration of maturity or defeasance of Outstanding Series 2014 Bonds;
- (b) amendments to the Indenture (including this First Supplemental Indenture) of which the Trustee has notice; and
- (c) a change in the Trustee.

Notices shall be mailed by first-class mail, postage prepaid, to such address as the Trustee has been advised in writing by the City or such Rating Agency is appropriate for sending such notices.

**Section 604. Limitation on Duties of Trustee.** The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not assured to it.

**Section 605. Article and Section Headings.** The headings or titles of the several articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for

convenience of reference and shall not affect the meaning, construction or effect of this First Supplemental Indenture.

***Section 606. Amendments to this First Supplemental Indenture.*** This First Supplemental Indenture may be amended without the consent of the Holders of the Series 2014 Bonds to make any change necessary to evidence or give effect to, or to facilitate, provide for or authorize the delivery and administration under this First Supplemental Indenture of any Security Instrument.

***Section 607. Partial Invalidity.*** If any one or more of the covenants or agreements, or portions thereof, provided in this First Supplemental Indenture to be performed shall be contrary to law (other than Section 12.01 of the Indenture and any other provisions of the Indenture and the Series 2014 Bonds limiting the liability of the City to make payments on such Series 2014 Bonds solely from Revenues and other amounts pledged therefore by the Indenture), then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this First Supplemental Indenture or of the Series 2014 Bonds; but the Holders of the Series 2014 Bonds shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

***Section 608. Representation Regarding Ethical Standards for City Officers and Employees and Former City Officers and Employees.*** The Trustee represents that it has not: (a) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (b) 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; (c) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

*(Signature page follows.)*

IN WITNESS WHEREOF, the City has caused this First Supplemental Indenture to be executed by the Mayor and attested and countersigned by the City Recorder, and its official seal to be hereunto affixed and attested by the City Recorder, and to evidence its acceptance of the trusts hereby created, Zions First National Bank has caused this First Supplemental Indenture to be executed by its Vice President, all as of the date hereof.

SALT LAKE CITY, UTAH

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

ATTEST AND COUNTERSIGN:

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

[SEAL]

APPROVED AS TO FORM:

By   
Senior City Attorney

ZIONS FIRST NATIONAL BANK,  
as Trustee

By \_\_\_\_\_  
Vice President

**EXHIBIT A**

**[FORM OF BOND]**

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

\_\_\_\_\_]

REGISTERED  
No. R-\_\_\_\_\_

REGISTERED  
\$\_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF UTAH

COUNTY OF SALT LAKE

SALT LAKE CITY

MOTOR FUEL EXCISE TAX REVENUE BOND, SERIES 2014

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	_____, ____	_____, 2014	_____

Registered Owner:

Principal Amount: ----- DOLLARS -----

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Utah (the "City"), a duly organized and existing municipal corporation and political subdivision of the State of Utah, located in Salt Lake County, Utah, acknowledges itself indebted and for value received hereby promises to pay, in the manner and from the source hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date identified above, unless this Bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the principal amount identified above, and to pay, in the manner and from the source hereinafter provided, to the registered owner hereof interest on the balance of said principal amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is

registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date specified above, or unless, as shown by the records of the hereinafter referred to Trustee, interest on the hereinafter referred to Series 2014 Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the rate per annum specified above (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable in each year on \_\_\_\_\_ and \_\_\_\_\_, beginning \_\_\_\_\_, 20\_\_, until payment in full of such principal amount, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. This Bond, as to principal and redemption price when due, will be payable at the principal corporate trust operations office of Zions First National Bank, of Salt Lake City, Utah, as paying agent of the City, or its successor as such 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; *provided, however*, that payment of the interest hereon shall be made to the registered owner hereof and shall be paid by check or draft mailed to the person who is the registered owner of record as of the close of business on the fifteenth day of the month next preceding each interest payment date (the “*Record Date*”) at his address as it appears on the registration books of the Trustee (as defined below) or at such other address as is furnished in writing by such registered owner to the Trustee prior to the Record Date.

THE CITY IS OBLIGATED TO PAY PRINCIPAL OF, REDEMPTION PRICE OF, AND INTEREST ON THIS BOND SOLELY FROM THE REVENUES AND OTHER FUNDS OF THE CITY PLEDGED THEREFOR UNDER THE TERMS OF THE INDENTURE (AS DEFINED BELOW). THIS BOND IS NOT A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATIONS OF INDEBTEDNESS OR PROVISIONS THEREFOR. PURSUANT TO THE INDENTURE, SUFFICIENT REVENUES HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE CITY TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Local Government Bonding Act, Chapter 14 of Title 11, and Section 72-2-108, each of the Utah Code Annotated 1953, as amended (collectively, the “*Act*”), and all other laws applicable thereto.

This Bond is a special obligation of the City and is one of the Motor Fuel Excise Tax Revenue Bonds of the City (the “*Bonds*”) issued under and by virtue of the Act and under and pursuant to a Master Trust Indenture, dated as of August 1, 2014 (the “*Master Indenture*”), between the City and Zions First National Bank, as trustee (said trustee and any successor thereto under the Master Indenture being herein referred to as the “*Trustee*”), as amended and supplemented by a First Supplemental Trust Indenture, dated as of August 1, 2014 (the “*First Supplemental Indenture*”), between the City and the Trustee (such Master Indenture, as amended and supplemented by the First Supplemental Indenture and as hereafter amended and supplemented, being herein referred to as the “*Indenture*”), for the purpose of financing a portion of the cost of constructing, repairing and maintaining streets and roads within the City’s boundaries and paying all expenses incident thereto and to the issuance of the Series 2014 Bonds described below.

As provided in the Indenture, Bonds may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Indenture, and the aggregate principal amount of Bonds which may be issued is not limited. All Bonds issued and to be issued under the Indenture are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Indenture.

This Bond is one of a Series of Bonds designated as "*Motor Fuel Excise Tax Revenue Bonds, Series 2014*" (the "*Series 2014 Bonds*"), limited to the aggregate principal amount of \$\_\_\_\_\_, dated as of the dated date identified above, and duly issued under and by virtue of the Act and under and pursuant to the Indenture. Copies of the Indenture are on file at the office of the City Recorder in Salt Lake City, Utah, and at the principal corporate trust office of the Trustee, in Salt Lake City, Utah, and reference to the Indenture and the Act is made for a description of the pledge and covenants securing the Series 2014 Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Series 2014 Bonds are issued and additional Bonds may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the City and of the Trustee. Such pledge and other obligations of the City under the Indenture may be discharged at or prior to the maturity or redemption of the Series 2014 Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

To the extent and in the respects permitted by the Indenture, the Indenture may be modified, supplemented or amended by action on behalf of the City taken in the manner and subject to the conditions and exceptions prescribed in the Indenture. The holder or owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable, as provided in the Indenture, only upon the books of the City kept for that purpose at the principal corporate trust office of the Trustee, 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 Trustee, duly executed by the registered owner or such duly authorized attorney, and thereupon the City shall issue in the name of the transferee a new registered Bond or Bonds of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Indenture and upon the payment of the charges therein prescribed. The City and the Trustee may treat and consider the person in whose name this Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever.

The Series 2014 Bonds are issuable solely in the form of fully registered Bonds, without coupons, in the denomination of \$[5,000] or any whole multiple of \$[5,000].

The Series 2014 Bonds maturing on or after \_\_\_\_\_, 20\_\_, are subject to redemption, in whole or in part, at the election of the City on any date on or after \_\_\_\_\_,

20\_\_ (if in part, such Series 2014 Bonds to be redeemed shall be selected from such maturities as shall be determined by the City in its discretion and within each maturity as selected by the Trustee), upon notice given as hereinafter set forth, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

With respect to any notice of optional redemption of Series 2014 Bonds, unless upon the giving of such notice such Series 2014 Bonds shall be deemed to have been paid within the meaning of Article XI of the Indenture, such notice may state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Series 2014 Bonds to be redeemed, and that if such money shall not have been so received said notice shall be of no force and effect, and the City shall not be required to redeem such Series 2014 Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

If less than all of the Series 2014 Bonds are to be redeemed, the particular Series 2014 Bonds to be redeemed shall be selected as provided in the Indenture.

Notice of redemption shall be given by first-class mail, not less than thirty nor more than sixty days prior to the redemption date, to the registered owner of each Series 2014 Bond being redeemed, at his address as it appears on the bond registration books of the Trustee or at such address as he may have filed with the Trustee for that purpose.

If notice of redemption shall have been given as aforesaid, the Series 2014 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if on the redemption date moneys for the payment of the redemption price of all the Series 2014 Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2014 Bonds shall cease to accrue and become payable.

Less than all of a Series 2014 Bond in a denomination in excess of \$[5,000] may be so redeemed, and in such case, upon the surrender of such Series 2014 Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Series 2014 Bond, at the option of such owner, registered Series 2014 Bonds of any of the authorized denominations, all as more fully set forth in the Indenture.

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 Indenture.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have

happened and have been performed and that the issue of Bonds, together with all other indebtedness of the City, is within every debt and other limit prescribed by said Constitution and statutes.

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

*(Signature page follows.)*

IN WITNESS WHEREOF, SALT LAKE CITY, UTAH, has caused this Bond to be signed in its name and on its behalf by the signature of its Mayor, and its corporate seal to be impressed or imprinted hereon, and attested and countersigned by the signature of its City Recorder, all as of the dated date specified above.

SALT LAKE CITY, UTAH

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

[SEAL]

ATTEST AND COUNTERSIGN:

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

**[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]**

This Bond is one of the Bonds described in the within mentioned Indenture and is one of the Motor Fuel Excise Tax Revenue Bonds, Series 2014, of Salt Lake City, Utah.

Date of registration and authentication: August \_\_, 2014

ZIONS FIRST NATIONAL BANK,  
as Trustee

By \_\_\_\_\_  
Authorized Officer

**[FORM OF ASSIGNMENT]**

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

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

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

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

Insert Social Security or Other  
Identifying Number of Assignee

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(Please Print or Typewrite Name and Address of Assignee)

the within Bond of SALT LAKE CITY, UTAH, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to register the transfer of the Bond on the books kept for registration thereof, with full power of substitution in the premises.

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

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

SIGNATURE GUARANTEED:

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

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

**CERTIFICATE OF DETERMINATION**

**PURSUANT TO**

**RESOLUTION No. \_\_ OF 2014  
PROVIDING FOR THE ISSUANCE OF  
MOTOR FUEL EXCISE TAX REVENUE BONDS**

DATED: \_\_\_\_\_, 2014

1. *Authority; Definitions.* Pursuant to Resolution No. \_\_ of 2014, adopted by the City Council (the “*City Council*”) of Salt Lake City, Utah (the “*City*”) on \_\_\_\_\_, 2014 (the “*Resolution*”), the City Council has authorized the issuance of the City’s Motor Fuel Excise Tax Revenue Bonds, Series 2014 (the “*Series 2014 Bonds*”) under and pursuant to that certain Master Trust Indenture, dated as of \_\_\_\_\_ 1, 2014, as amended and supplemented by that certain First Supplemental Trust Indenture, dated as of \_\_\_\_\_ 1, 2014 (collectively, the “*Indenture*”), each between the City and \_\_\_\_\_ as trustee (the “*Trustee*”). This certificate is executed pursuant to and in accordance with the delegation of authority contained in the Resolution, as authorized by law. All terms used herein and not otherwise defined herein shall have the meanings specified in the Resolution or the Indenture.

2. *Acceptance of Offer.* The offer of \_\_\_\_\_ (the “\_\_\_\_\_”) for the purchase of the Series 2014 Bonds, which is set out in full in the \_\_\_\_\_ (the substantially final form of which is attached hereto as *Exhibit A*) dated \_\_\_\_\_, 2014 (the “\_\_\_\_\_”), between the City and \_\_\_\_\_, is hereby accepted, it being hereby found, determined and declared that such offer is in the best interests of the City. The Series 2014 Bonds shall be issued by the City for the purposes set forth in the Indenture. The sale of the Series 2014 Bonds to the \_\_\_\_\_ at the price of \$\_\_\_\_\_ (representing the par amount of the Series 2014 Bonds, less \$\_\_\_\_\_’s discount) is hereby confirmed. The Series 2014 Bonds shall be delivered to the \_\_\_\_\_ and the proceeds of sale thereof applied as provided in the Indenture, the \_\_\_\_\_ and paragraph 4 hereof.

3. *Aggregate Principal Amount and Maturities of Series 2014 Bonds.* The Series 2014 Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_. The Series 2014 Bonds shall mature on \_\_\_\_\_ of the years, and shall bear interest payable semiannually on \_\_\_\_\_ and \_\_\_\_\_, commencing \_\_\_\_\_, 201\_, at the rates per annum as follows:

_____	AMOUNT MATURING	INTEREST RATE
	\$	%

4. *Use of Proceeds.* The proceeds of the sale of the Series 2014 Bonds shall be deposited and used as follows:

- (a) \$-0- into the Series 2014 Bond Service Subaccount;
- (b) \$-0- into the Series 2014 Debt Service Reserve Subaccount; and
- (c) all remaining proceeds shall be deposited into the Series 2014 Project Account.

5. *Redemption Provisions.* The Series 2014 Bonds maturing on or after \_\_\_\_\_, 20\_\_, are subject to redemption at the election of the City, on any date on or after \_\_\_\_\_, 20\_\_ in whole or in part, from such maturities or parts thereof as shall be selected by the City, upon notice given as provided in the Indenture, at a redemption price equal to 100% of the principal amount of the Series 2014 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

IN WITNESS WHEREOF, we have hereunto set our hand on the \_\_\_\_ day of \_\_\_\_\_,  
2014.

By \_\_\_\_\_  
City Treasurer

By \_\_\_\_\_  
Chair  
Salt Lake City Council

APPROVED AS TO FORM:

By  \_\_\_\_\_  
Senior City Attorney

## EXHIBIT A

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