
MEMORANDUM

DATE: October 13, 2009
TO: City Council Members
FROM: Lehua Weaver
RE: Water & Sewer Revenue Bonds – Series 2009; Authorizing the Issuance

POSSIBLE MOTION LANGUAGE:

I move that we adopt and approve the resolution authorizing the issuance and confirming the sale of [\$amount to be filled in Tuesday after bid acceptance] aggregate principal amount of Water and Sewer Revenue Bonds, Series 2009 of the City; authorizing the execution and delivery of certain documents relating to such bonds; and providing for related matters.

KEY ELEMENTS

On August 11, the Council held a hearing on a resolution to issue up to \$7 million in bonds to pay for replacing digester covers at the existing sewer reclamation plant. That hearing began a required 30-day comment period to consider the issuance. The next step is for the Council to consider the attached resolution authorizing the sale of the bonds to the State of Utah.

Between the time this staff report is prepared (October 8) and the October 13th Council Meeting, the Department of Public Utilities will be receiving bids for the digester cover replacement project and will select a bid to determine the amount of the bonds to issue. The Administration will also receive confirmation from the State on the amount of the loan and corresponding bond issuance cost.

The Department of Public Utilities currently budgeted \$3 million for the construction of the first phase of this project with the intent to budget the remaining \$3.5 next year. It is the intent of the Department to pay out of existing capital project funds any difference between the bond and the actual cost of the project. The Department will be requesting a budget amendment in the future to increase the current budget amount to include the total project cost.

As is required with revenue bonds, the Department will hold an additional 30-day comment period after the Council adopts the resolution authorizing the issuance of the bonds. After that time, the documents will be finalized and the funds transferred on or about November 17. The Council will have no more action on this item.

(The following information was previously provided for the July 7th briefing and August 11th hearing on this item. It is provided again for your reference.)

KEY ELEMENTS

1. The Administration has forwarded a resolution for Council consideration that would begin the required process to issue not more than \$7 million in revenue bonds.
2. These bonds would be used to take advantage of a zero-interest rate loan from the State of Utah.

- a. On April 1, 2009, the Utah Water Quality Board authorized a loan to Salt Lake City in the amount of \$6.92 million.
 - b. The loan would be secured by this bond proposed to be issued by the Public Utility Department.
 - c. The Administration is proposing to issue bonds only in the amount needed to cover the State's loan.
3. The bond will be issued at an annual rate of zero percent, provided the project meets the American Recovery and Reinvestment Act of 2009 (ARRA) requirements. The Administration indicates that it does. The State of Utah acts as a conduit for these funds.
4. The Administration estimates that with this zero percent bond issue and loan, the City will save approximately \$6 million in interest expenses over the life of the loan.
5. The money will be used for the replacement of existing digester covers at the sewer reclamation plant, which were scheduled to be replaced over the next three years.
6. The issuance of these bonds does not have any general fund budget impact, as they are issued and guaranteed by the City's Public Utility enterprise fund.

PROCESS

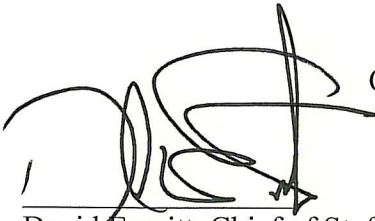
1. The resolution for Council consideration at the July 7th meeting will set a Public Hearing date of August 11th.
2. The Council will then have a second resolution for consideration at the August 11th meeting which would authorize the issuance of the aforementioned bonds.

SALT LAKE CITY CORPORATION

JEFFRY T. NIEMEYER
DIRECTOR

DEPARTMENT OF PUBLIC UTILITIES
WATER SUPPLY AND WATERWORKS
WATER RECLAMATION AND STORMWATER

RALPH BECKER
MAYOR




David Everitt, Chief of Staff

CITY COUNCIL TRANSMITTAL

DATE RECEIVED 10/05/2009
DATE SENT TO COUNCIL 10/05/2009

TO: Salt Lake City Council
Carlton Christensen, Chair

Date October 1, 2009

FROM: Jeff Niermeyer 

SUBJECT: Issuance of a bond resolution authorizing the sale of revenue bonds to the State of Utah at a zero interest rate.

STAFF CONTACT: Jim Lewis, Finance Administrator 801-483-6773

DOCUMENT TYPE: Bond Resolution authorizing the sale revenue bonds

RECOMMENDATION: We are requesting that the City Council approve a resolution authorizing the issuance of not more than \$7 million aggregate principle amount of revenue bonds to the State of Utah at a zero interest rate.

BUDGET IMPACT: This is a bond issue to the State of Utah at a zero annual interest rate. This could save the city over \$6 million in interest payments over the life of a normal bond issue.

BACKGROUND/DISSION: On April 1, 2009, the Utah Water Quality Board authorized a loan in the amount of \$6,920,000 to Salt Lake City for the replacement of existing digester covers at our existing sewer reclamation plant. The loan will be secured by a twenty year revenue bond issued by Salt Lake City Public Utilities. The bond will be issued at an annual rate of zero percent, provided that the Project meets American Recovery and Reinvestment Act of 2009 (ARRA) requirements. This is a great opportunity for the Utility to obtain a low interest loan to construct the needed replacement of the digester roofs which were planned to be replaced over the next three years.

We request that the Resolution for the Series 2009 Bonds be placed on the earliest agenda possible for adoption. This Resolution sets forth the principle amount of the bonds, the interest rate that the bonds may not exceed and the maximum term that the bonds may be outstanding.

SCANNED TO: *Mayor, David Hally*
SCANNED BY: *Pauline*
DATE: *10/5/09*

1530 SOUTH WEST TEMPLE, SALT LAKE CITY, UTAH 84115
TELEPHONE: 801-483-6900 FAX: 801-483-6818

WWW.SLCGOV.COM

RECYCLED PAPER

RECEIVED
OCT 05 2009

PUBLIC PROCESS: The City Council held a public hearing on August 11, 2009 notifying the public of the intent to sale revenue bonds. Utility customers were notified by a message which was added to all bills mailed during the month of July 2009.

RESOLUTION NO. ___ OF 2009

A Resolution authorizing the issuance and confirming the sale of \$[6,920,000] Salt Lake City, Utah [Taxable] Water and Sewer Revenue Bonds, Series 2009, for the purpose of financing certain improvements to the City's water, sewer and stormwater system; authorizing the execution and delivery of a Fourth Supplemental Trust Indenture to secure said Bonds; authorizing the sale of the Bonds to the State of Utah, Department of Environmental Quality, Utah Water Quality Board; 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;

WHEREAS, the City considers it necessary and desirable and for the benefit of the City and the users of the City's water, sewer and storm water system (the "System") to issue its water and sewer revenue bonds as hereinafter provided for the purpose of (a) financing the costs associated with the acquisition, improvement or extension of improvements, facilities and property that will be a part of the System and will consist of the replacement of existing digester covers and making other improvements to the System (collectively, the "Project"); [(b) funding any necessary reserves in connection with the Series 2009 Bonds (as defined below);] and [(b)][(c)] paying all related costs authorized by law pursuant to authority contained in the Local Government Bonding Act, Chapter 14 of Title 11 (the "Act"), 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 [Taxable] Water and Sewer Revenue Bonds, Series 2009, in the aggregate principal amount of \$[6,920,000] (the "Series 2009 Bonds") pursuant to a Master Trust Indenture, dated as of January 1, 2004, as amended and supplemented to the date hereof (the "Master Indenture"), and a Fourth Supplemental Trust Indenture, dated as of _____ 1, 2009 (the "Fourth Supplemental Indenture"), each between the City and U.S. Bank National Association, as trustee (the "Trustee") (the Master Indenture and Fourth Supplemental Indenture are sometimes collectively referred to hereinafter as the "Indenture") and (b) to cause the proceeds of the sale of the Series 2009 Bonds to be applied in accordance with the Indenture;

WHEREAS, the City is authorized by the Utah Code to acquire, construct, expand and improve the Project; to enter into the Fourth Supplemental Indenture; and to issue the Series 2009 Bonds to finance all or a portion of the costs of the Project[, to fund any necessary reserves] and to pay all related costs authorized by law;

WHEREAS, the City has made arrangements for the purchase of the Series 2009 Bonds and the financing of the Project at favorable interest rates;

WHEREAS, in satisfaction of the requirements to Section 11-14-318 of the Utah Code, the City, on Tuesday, August 11, 2009, held a public hearing after due notice thereof to receive input from the public with respect to the issuance of the Series 2009 Bonds and the potential economic impact that the Project will have on the private sector;

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

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 2009 Bonds in the aggregate principal amount of \$[6,920,000]. The Series 2009 Bonds shall be dated as of the date of delivery thereof, and shall mature on the dates and in the principal amounts and shall bear no interest, except as described in the Indenture, as shown below:

| <u> </u> 1 OF THE YEAR | AMOUNT MATURING |
|--|--------------------|
| 2011 | \$ |
| 2012 | |
| 2013 | |
| 2014 | |
| 2015 | |
| 2016 | |
| 2017 | |
| 2018 | |
| 2019 | |
| 2020 | |
| 2021 | |
| 2022 | |
| 2023 | |
| 2024 | |
| 2025 | |
| 2926 | |
| 2027 | |
| 2028 | |
| 2029 | |
| 2030 | |
| 2031 | |

The Series 2009 Bonds shall be in authorized denominations, executed and payable all as provided in the Indenture. The Series 2009 Bonds shall be subject to redemption prior to maturity as provided in the Indenture.

(b) The form of the Series 2009 Bonds set forth in the Fourth Supplemental Indenture, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture, is hereby approved.

(c) The Series 2009 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. The Series 2009 Bonds shall not be obligations of the State of Utah or any other political subdivision thereof, other than the City, and neither the faith and credit nor the taxing or appropriation power of the State of Utah or any political subdivision thereof, including the City, is pledged to the payment of the Series 2009 Bonds. The Series 2009 Bonds shall not constitute general obligations of the City or any other entity or body, municipal, state or otherwise.

Section 2. Approval and Execution of the Fourth Supplemental Indenture. The Fourth Supplemental Indenture, in substantially the form attached hereto as *Exhibit A*, is hereby authorized and approved, and the Mayor or the Deputy Mayor is hereby authorized, empowered and directed to execute and deliver the Fourth Supplemental Indenture on behalf of the City, and the City Recorder or any Deputy City Recorder is hereby authorized, empowered and directed to affix the seal of the City, to attest such seal and to countersign the Fourth Supplemental Indenture, with such changes to the Fourth Supplemental Indenture from the form 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 Fourth Supplemental Indenture, as executed and delivered, are hereby incorporated in and made a part of this resolution. The Master Indenture and the Fourth Supplemental Indenture shall constitute a "system of registration" for all purposes of the Registered Public Obligations Act of Utah.

Section 3. Sale of the Series 2009 Bonds. The Series 2009 Bonds authorized to be issued herein are hereby sold and delivered to State of Utah, Department of Environmental Quality, Utah Water Quality Board (the "*State Agency*"), upon the terms and conditions set forth in the Fourth Supplemental Indenture and that certain commitment letter from the State Agency, dated May 7, 2009, a copy of which is attached hereto as *Exhibit B*.

Section 4. Other Actions With Respect to the Series 2009 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 of the Series 2009 Bonds and the financing of the Project, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2009 Bonds and the financing of the Project. If (a) the Mayor or (b) the City Recorder shall be unavailable to execute or attest and countersign, respectively, the Series 2009 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 or (ii) by

any Deputy City Recorder. 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 2009 Bonds.

Section 5. Notice of Bonds to Be Issued; Contest Period. In accordance with the provisions of Sections 11-14-316 of the Act the City Recorder or any Deputy City Recorder of the City shall cause a Notice of Bonds to Be Issued in substantially the form attached hereto as *Exhibit C*, to be published one time in *The Salt Lake Tribune* and the *Deseret News*, each a newspaper of general circulation in the City, and shall cause a copy of this Resolution, together with the annexes hereto, to be kept on file in the City Recorder's office for public examination during the regular business hours of the City Recorder for at least thirty (30) days after the date of such publication set forth below. All actions previously taken by the City Recorder and other officers, employees and agents of the City to cause such publication are hereby ratified, confirmed and approved.

For a period of thirty (30) days from and after publication of the Notice of Bonds to Be Issued any person in interest shall have the right to contest the legality of this Resolution (including the Fourth Supplemental Indenture), 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 Fourth Supplemental Indenture) or the Bonds or any provisions made for the security and payment of the Bonds for any cause.

Section 6. Prior Acts Ratified, Approved and Confirmed. All acts of the officers and employees of the City in connection with the issuance of the Series 2009 Bonds are hereby ratified, approved and confirmed.

Section 7. Resolution Irrepealable. Following the execution and delivery of the Fourth Supplemental Indenture, this resolution shall be and remain irrepealable until the Series 2009 Bonds and the interest thereon shall have been fully paid, cancelled, and discharged.

Section 8. 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 9. Effective Date. This resolution shall be effective immediately upon its approval and adoption.

(Signature page follows.)

ADOPTED AND APPROVED by the City Council and the Mayor, as applicable of Salt Lake City, Utah, this 13th day of October, 2009.

SALT LAKE CITY, UTAH

By _____
Chair, City Council

[SEAL]

ATTEST:

By _____
City Recorder

APPROVED:

Mayor

APPROVED AS TO FORM:

Senior City Attorney

EXHIBIT A

[ATTACH FORM OF FOURTH SUPPLEMENTAL TRUST INDENTURE]

EXHIBIT B

[ATTACH COPY OF COMMITMENT LETTER]

EXHIBIT C

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 October 13, 2009, the City Council (the "*City Council*") of Salt Lake City, Utah (the "*City*") adopted a resolution (the "*Resolution*") in which it authorized the issuance of the City's [Taxable] Water and Sewer Revenue Bonds, Series 2009 (the "*Bonds*"), in an aggregate principal amount of not to exceed \$6,920,000, to mature in not more than 23 years from their date or dates, to bear no interest, except in the event of default in the payment of an installment of principal of the Bonds and to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed 2.00%. The Bonds shall be subject to such optional and mandatory redemption and other provisions as are contained in the Master Trust Indenture, the final form of the Bonds and the Fourth Supplemental Indenture, each described below.

The Bonds are to be issued and sold by the City pursuant to (a) the Resolution, (b) the Master Trust Indenture, dated as of January 1, 2004, as heretofore amended and supplemented (the "*Master Indenture*"), between the City and U.S. Bank National Association, as trustee (the "*Trustee*"), and (c) the Fourth Supplemental Trust Indenture, between the City and the Trustee (the "*Fourth Supplemental Indenture*"); provided that the principal amount, interest rate or rates, maturity or maturities and discount will not exceed the maximums set forth above. The Fourth Supplemental Indenture will be entered into by the City at a future date prior to the issuance of the Bonds.

Pursuant to the Resolution, the Bonds are to be issued for the purpose of (a) financing certain improvements, facilities and property that will be part of the City's water, sewer and stormwater system, including, but not limited to the replacement of existing digester covers (the "*Project*"), (b) funding any necessary reserves in connection with the Bonds] and [(b)][(c)] paying all related costs authorized by law. The Bonds are payable from the water, sewer, stormwater and other revenues, and funds pledged therefor pursuant to the Master Indenture.

A copy of the Resolution is on file in the office of the City Recorder of the City, located in Room 415, City and County Building, 451 South State Street in Salt Lake City, Utah, where it may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. The Resolution (including the Master Indenture and drafts of the Fourth Supplemental Indenture) shall be so available for inspection for a period of at least 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 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 above-described Resolution (including the Fourth Supplemental Indenture) 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 thereof for any cause.

DATED this 13th day of October, 2009.

SALT CITY, UTAH

By _____
[Deputy] City Recorder

FOURTH SUPPLEMENTAL TRUST INDENTURE

BETWEEN

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

AND

**U.S. BANK NATIONAL ASSOCIATION
as Trustee**

Dated as of _____ 1, 2009

\$ _____

**SALT LAKE CITY, UTAH
[TAXABLE] WATER AND SEWER REVENUE BONDS,
SERIES 2009**

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THIS FOURTH SUPPLEMENTAL TRUST INDENTURE (the "*Fourth Supplemental Indenture*"), dated as of _____ 1, 2009, between Salt Lake City, Salt Lake County, Utah, a municipal corporation and political subdivision of the State of Utah (the "*City*"), and U.S. Bank National Association, 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 January 1, 2004, as amended and supplemented to the date hereof (the "*Master Indenture*" and, together with the Fourth Supplemental Indenture, the "*Indenture*"), with the Trustee;

WHEREAS, the City considers it necessary and desirable and for the benefit of the City and the users of the System to issue water and sewer revenue bonds pursuant to the Indenture and as hereinafter provided for the purpose of financing part of the costs of acquiring a project consisting of the acquisition, improvement or extension of improvements, facilities and property that will be a part of the System, including, but not limited to, the replacement of existing digester covers pursuant to authority contained in the Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended;

WHEREAS, the Series 2009 Bonds (defined below) will be authorized, issued and secured under the Indenture on a parity with all other Bonds issued and outstanding from time to time thereunder; and

WHEREAS, the execution and delivery of the Series 2009 Bonds and of this Fourth Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2009 Bonds, when executed by the City and authenticated by the Trustee, the valid and binding legal obligations of the City and to make this Fourth Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the mutual covenants herein contained and of the purchase of the Series 2009 Bonds by the Bondholders thereof from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the City has executed and delivered this Fourth Supplemental Indenture, and by these presents does confirm the pledge provided for in the Master Indenture and to further secure the payment of the Series 2009 Bonds and all other Bonds now or hereafter Outstanding under the Indenture does hereby sell, assign, transfer, set over and pledge unto U.S. Bank National Association, as Trustee, its successors and trusts and its assigns forever, all right, title and interest of the City in and to (a) the proceeds of the sale of the Series 2009 Bonds, (b) the Revenues, (c) all moneys held by Trustee in funds and accounts established hereunder, including the investments, if any, thereof, and (d) all other rights hereinafter granted for the future securing of such Series 2009 Bonds.

TO HAVE AND TO HOLD THE SAME unto the Trustee and its successors and its assigns in trust forever;

IN TRUST, NEVERTHELESS, FIRST, for the equal and ratable benefit and security of all present and future Bondholders and Security Instrument Issuers without preference, priority, or distinction as to security or otherwise (except as otherwise specifically provided), of any of the Bonds or Security Instrument Repayment Obligations over any of the others 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 lien or otherwise (except as otherwise specifically provided) of any Reserve Instrument Provider over any other Reserve Instrument Provider by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever.

ARTICLE I

DEFINITIONS

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

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

[“Code” means the Internal Revenue Code of 1986, as amended.]

“Exchange Bonds” means the fully-registered Series 2009 Bonds issued in substantially the form set forth in Section 402 hereof in exchange for the State Agency Bond or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple of \$1,000.

“Fourth Supplemental Indenture” means this Fourth Supplemental Trust Indenture, dated as of _____ 1, 2009, between the City and the Trustee.

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

“Master Indenture” means the Master Trust Indenture, dated as of January 1, 2004, as heretofore amended and supplemented, between the City and the Trustee, providing for the issuance of water and sewer revenue bonds.

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

[“*Regulations*” means the Treasury Regulations issued or proposed under Sections 103, 148 or 149 of the Code (26 CFR Part 2) or other Sections of the Code relating to “*arbitrage bonds*” or rebate, including without limitation Sections 1.103-13, 1.103-14, 1.103-15 and 1.103-15AT, and includes amendments thereto or successor provisions.]

“*Series 2009 Bonds*” means the City’s [Taxable] Water and Sewer Revenue Bonds, Series 2009, issued pursuant to this Fourth Supplemental Indenture.

“*Series 2009 Bond Service Subaccount*” means the Series Subaccount in the Bond Service Account established in Section 305.

“*Series 2009 Debt Service Reserve Requirement*” means an amount equal to \$_____.

“*Series 2009 Debt Service Reserve Subaccount*” means the Series Subaccount in the Debt Service Reserve Account established in Section 306.

[“*Series 2009 Emergency Repair and Replacement Fund*” means the fund created by that name established pursuant to Section 5.02 of the Resolution and Section 309 hereof.

“*Series 2009 Emergency Repair and Replacement Requirement*” means an amount equal to \$_____.]

“*Series 2009 Principal Installment*” means the Principal Installments due on the Series 2009 Bonds, whether represented by an annual principal payment due on the State Agency Bond, or by principal due at an annual maturity on Exchange Bonds.

“*Series 2009 Project*” means the acquisition, improvement or extension of improvements, facilities and property that will be a part of the System and will consist of the replacement of existing digester covers and making other improvements to the System.

“*Series 2009 Project Account*” means the Project Account in the Construction Fund established in Section 304.

“*State Agency*” means the State of Utah, Department of Environmental Quality, Water Quality Board.

“*State Agency Bond*” means the single fully-registered Series 2009 Bond issued in substantially the form set forth in Section 401 hereof, in the denomination equal to the aggregate principal amount of the Series 2009 Bonds, and registered in the name of the State Agency.

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

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

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE
OF SERIES 2009 BONDS

Section 201. Authorization of Bonds, Principal Amount, Designation and Series. In order to provide sufficient funds, together with other available moneys of the City, if any, for the (a) financing of a portion of the Cost of Construction of the Series 2009 Project [and (b) paying all expenses properly incidental thereto and to the issuance of the Series 2009 Bonds] and in accordance with and subject to the terms, conditions and limitations established in the Indenture, a Series of the City's Water and Sewer Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of \$_____ and designated "[Taxable] Water and Sewer Revenue Bonds, Series 2009."

Section 202. Finding and Purpose. The Series 2009 Bonds are hereby authorized to be issued for the purpose of paying part of the Cost of Construction of the Series 2009 Project pursuant to Section 2.03 of the Indenture. Except for the City's (a) \$30,955,000 Water and Sewer Revenue Bonds, Series 2004, (b) \$11,075,000 Water and Sewer Improvement and Refunding Revenue Bonds, Series 2005, (c) \$14,800,000 Water and Sewer Improvement and Refunding Revenue Bonds, Series 2008 and (d) the Series 2009 Bonds authorized by this Fourth Supplemental Indenture, the City has no outstanding bonds, notes or other obligations issued pursuant to the Indenture, and there are no other outstanding bonds, notes or other obligations payable from Revenues of the System.

Section 203. Issue Date. The Series 2009 Bonds shall be dated as of the date of delivery thereof.

Section 204. Series 2009 Bonds. (a) The Series 2009 Bonds shall mature in twenty (20) annual Series 2009 Principal Installments payable on _____ 1, beginning _____ 1, 2011, of each of the years and in the principal amounts, as follows:

| _____ | AMOUNT |
|-------------|----------|
| OF THE YEAR | MATURING |
| 2011 | \$ |
| 2012 | |
| 2013 | |
| 2014 | |
| 2015 | |
| 2016 | |
| 2017 | |
| 2018 | |
| 2019 | |
| 2020 | |
| 2021 | |
| 2022 | |

| OF THE YEAR | AMOUNT MATURING |
|-------------|--------------------|
| 2023 | |
| 2024 | |
| 2025 | |
| 2026 | |
| 2027 | |
| 2028 | |
| 2029 | |
| 2030 | |
| 2031 | |

If the total principal amount of the Series 2009 Bonds is less than the maximum principal amount of \$ _____, the repayment period shall be shortened and the number of Series 2009 Principal Installments shall be reduced in inverse order of their maturity (and the amount of the final remaining Series 2009 Principal Installment shall be reduced, if required, by \$1,000 or integral multiples thereof) to correspond to the "Total Principal Sum" set forth in Certificate of Dates of Payment and Amount attached to the State Agency Bond and the City shall make the stated Series 2009 Principal Installments beginning _____ 1, 2011, and continuing until such "Total Principal Sum" shall be paid in full. Notwithstanding the foregoing and if the total principal amount of the Series 2009 Bonds is less than the maximum principal amount as described above and if the State Agency owns all of Series 2009 Bonds then Outstanding, the City and the State Agency may agree, at the option of the City, to establish a new schedule of Principal Installments (each in the amount of \$1,000 or integral multiples thereof) for the balance of the term of the Series 2009 Bonds provided that the Series 2009 Principal Installment for any year shall not be increased over the amount set forth above in this Section 204.

(b) The Series 2009 Bonds shall bear no interest, except as described below.

Any Series 2009 Principal Installment, which shall not be paid when due on _____ 1 as aforesaid, shall bear interest, to the extent permitted by law, at the rate of eighteen percent (18%) per annum from the due date of such Series 2009 Principal Installment until paid.

Section 205. Registered Bonds; Denomination and Numbers. The Series 2009 Bonds shall be issued only in fully-registered form, without coupons, (a) with respect to the State Agency Bonds, in substantially a form provided in Section 401 hereof and in a denomination equal to the aggregate principal amount of the Series 2009 Bonds, and (b) with respect to Exchange Bonds, in substantially the form provided in Section 402 hereof and in the denomination of \$1,000 or any integral multiple thereof. The Series 2009 Bonds shall be numbered from one (1) consecutively upwards in order of authentication and delivery by the Trustee.

Section 206. Paying Agent. (a) U.S. Bank National Association, of Salt Lake City, Utah, is hereby appointed the Paying Agent for the Series 2009 Bonds, pursuant and subject to Section 7.02 of the Indenture.

(b) Except as provided in subsection (c) of this Section, Series 2009 Principal Installments and Redemption Price on the Series 2009 Bonds shall be payable at the principal corporate trust office of the Paying Agent in Salt Lake City, Utah, or of any successor as Paying Agent in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. Payment of any interest on any Series 2009 Bonds shall be made to the registered owner thereof and shall be paid by check or draft mailed, on or before the payment date, to the Owner thereof as of the close of business on the Record Date at the address of such 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.

(c) In the case of the State Agency Bond, the Trustee shall note on the Payment Record attached to the State Agency Bond the date and amount of payment of each Series 2009 Principal Installment and Redemption Price then being paid and theretofore paid and not yet noted thereon; *provided*, as long as the State Agency is the Owner of the State Agency Bond, payments of Series 2009 Principal Installments, together with any interest, shall be made by check or draft drawn on the Trustee and mailed to the State Agency as the Owner at the address shown on the registration books maintained by the Trustee. So long as the State Agency is the Holder of the State Agency Bond, in lieu of presentation or the surrender of the State Agency Bond for notations of such payments, the State Agency, by its Executive Secretary or his designee, shall endorse such payments upon the State Agency Bond.

Section 207. *Optional Redemption; Redemption Price.* (a) Each Series 2009 Principal Installment is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the City, in inverse order of the due dates of the Series 2009 Principal Installments, upon notice as provided in Section 4.03 of the Indenture, and at the Redemption Price (expressed as a percentage of the Series 2009 Principal Installments to be so redeemed) of 100% plus unpaid interest on any past due 2009 Principal Installment.

(b) With respect to any notice of optional redemption of Series 2009 Bonds, unless upon the giving of such notice such Series 2009 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 2009 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 2009 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 the event that the Series 2009 Bonds are not held by the Sate Agency when the notice described in Section 4.03 of the Indenture is given, further notice of any redemption of the Series 2009 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 2009 Bonds being redeemed; (B) the date of issue of the Series 2009 Bonds as originally issued; (C) the rate of interest borne by each Series 2009 Bond being redeemed; (D) the maturity date of each Series 2009 Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Series 2009 Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date to DTC in accordance with the operating procedures then in effect for DTC, and to all other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Series 2009 Bonds designated to the Trustee by the City, to the Rating Agency and to any other nationally recognized information services as designated by the City to the Trustee.

(iii) Upon the payment of the redemption price of the Series 2009 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2009 Bonds being redeemed with the proceeds of such check or other transfer.

Section 208. Execution of Series 2009 Bond. The Series 2009 Bonds shall be executed on behalf of the City by the Mayor by his or her manual or facsimile signature, and attested and countersigned by the City Recorder by his or her manual or facsimile signature, and the City's seal shall be affixed or a facsimile thereof shall be imprinted upon the Series 2009 Bonds. The Series 2009 Bonds shall then be delivered to the Trustee and manually authenticated by it. In the case of temporary Series 2009 Bonds delivered pursuant to Section 3.06 of the Indenture, the use of manual signatures by the Mayor and the City Recorder and the affixing of the City's seal are hereby authorized.

Section 209. Delivery of Series 2009 Bonds. The Series 2009 Bonds shall be delivered to the State Agency, upon compliance with the provisions of Section 3.02 of the Indenture, at such time and place as agreed to by the City and the State Agency.

Section 210. Exchange of State Agency Bond for Exchange Bonds. It is recognized that the State Agency may sell or otherwise transfer the Series 2009 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code, or otherwise. Provided that either (a) the State Agency has paid installments pursuant to Section 310 hereof in the aggregate amount of \$_____ or (b) one or more Series 2009 Principal Installments have been cancelled or reduced in accordance with Section 310 hereof, the State Agency Bond may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of Section 3.03 or 3.04 of the Indenture, as applicable. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.03 or 3.04 of the Indenture. Exchange Bonds shall be in substantially the form set forth in Section 402 hereof and shall be

executed pursuant to authorization contained in Section 208 hereof. Each Series 2009 Principal Installment on the State Agency Bond not previously paid or cancelled in accordance with Section 304 hereof shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The City and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the City to accomplish the exchange of the State Agency Bond for Exchange Bonds provided that the State Agency shall pay or cause to be paid all costs and other charges incident to such exchange and the City shall have no obligation to pay any such costs or charges.

ARTICLE III

APPLICATION OF SERIES 2009 BOND PROCEEDS AND OTHER MONEYS; ESTABLISHMENT AND OPERATION OF ACCOUNTS AND SUBACCOUNTS

Section 301. Interest During Construction. The amount to be deposited from the proceeds of the Series 2009 Bonds into the Construction Fund to pay interest on the Series 2009 Bonds estimated to fall due during the period of construction of the Series 2009 Project, as set forth in the Written Certificate of the City estimating the cost of construction of the Series 2009 Projects and the estimated date of completion thereof as required by Section 2.03(c)(1) of the Indenture is \$-0-.

Section 302. Debt Service Reserve Account. The amount to be deposited from the proceeds of the Series 2009 Bonds into the Debt Service Reserve Account is \$-0-.

Section 303. Renewal and Replacement Fund. The amount to be deposited from the proceeds of the Series 2009 Bonds into the Renewal and Replacement Fund is \$-0-.

Section 304. Establishment of Series 2009 Project Account. There is hereby established a Project Account in the Construction Fund designated as the "Series 2009 Project Account." Moneys in the Series 2009 Project Account shall be used for the purposes and as authorized by Section 5.03 of the Indenture to pay the Cost of Construction of the Series 2009 Project. All amounts remaining on deposit in the Series 2009 Project Account upon the filing of the Written Certificate of the City with respect to the Series 2009 Project as contemplated in Section 5.03(i) of the Indenture, other than amounts specified therein that must be retained in the Series 2009 Project Account to pay unpaid Costs of Construction, shall be transferred to the Series 2009 Debt Service Subaccount and used by the City to prepay and redeem Series 2009 Principal Installments in inverse order of maturity pursuant to Section 207 hereof.

Section 305. Establishment of Series 2009 Bond Service Subaccount. Pursuant to Section 5.06(a) of the Indenture, there is hereby established a separate Series Subaccount in the Bond Service Account in the Principal and Interest Fund designated as the "Series 2009 Bond Service Subaccount." Moneys shall be deposited into and paid from the Series 2009 Bond Service Subaccount in accordance with Section 5.06 of the Indenture to pay Principal of and interest on the Series 2009 Bonds.

Section 306. Establishment of Series 2009 Debt Service Reserve Subaccount. Pursuant to Section 5.07(a) of the Indenture, there is hereby established a separate Series Subaccount in the Debt Service Reserve Account designated as the "Series 2009 Debt Service Reserve Subaccount." Moneys shall be deposited into and paid from the Series 2009 Debt Service Reserve Subaccount, if, when and as required by the Indenture, to remedy deficiencies in the Series 2009 Bond Service Subaccount in accordance with Section 5.07 of the Indenture.

Section 307. Funding the Series 2009 Debt Service Reserve Subaccount. (a) The City shall deposit into the Series 2009 Debt Service Reserve Subaccount, from the proceeds of the Series 2009 Bonds, the amount of \$-0-.

(b) In accordance with requirements of Section 5.07(a) of the Indenture, the City shall transfer from the Revenue Fund and deposit into the Series 2009 Debt Service Reserve Subaccount, commencing on or before the fourth Business Day preceding _____, 20__, and on the fourth Business Day preceding the end of each month thereafter until and including _____, 201_, in approximately equal monthly installments, each in an amount equal to at least \$_____ so that an amount equal to at least the Series 2009 Debt Service Reserve Requirement is on deposit in the Series 2009 Debt Service Reserve Subaccount by _____, 201_; *provided, however*, that (i) the final payment on _____, 201_, may be reduced to the extent of any interest earnings then on deposit in the Series 2009 Debt Service Reserve Subaccount and (ii) if on any date the amount on deposit in the Series 2009 Debt Service Reserve Subaccount shall equal or exceed the Series 2009 Debt Service Reserve Requirement, the City shall not be required to make any further deposits in the Series 2009 Debt Service Reserve Subaccount unless required to do so pursuant to the provisions of Section 5.05(a)(2) of the Indenture in the event that amount on deposit in the Series 2009 Debt Service Reserve Subaccount shall subsequently be less than the Series 2009 Debt Service Reserve Requirement.

(c) If moneys shall ever have been paid out of the Series 2009 Debt Service Reserve Subaccount for the purpose specified in Section 5.07(b) of the Indenture or if for any other reason moneys in the Series 2009 Debt Service Reserve Subaccount shall have been removed and, in either case, if such moneys shall not have been replaced from any other source, the City shall deposit pursuant to Section 5.05(a)(2) of the Indenture for credit to the Series 2009 Debt Service Reserve Subaccount, an amount equal to such deficiency, such amount to be deposited in not to exceed 60 approximately equal monthly payments commencing on or before the fourth Business Day preceding the end of the month next following the month during which such deficiency occurs, so as to cause the balance in the Series 2009 Debt Service Reserve Subaccount to be equal to the Series 2009 Debt Service Reserve Requirement after all of such payments have been made.

Section 308. Application of Series 2009 Debt Service Reserve Subaccount. If on the final day of any month, the amount in the Series 2009 Bond Service Subaccount shall be less than the amount required to be on deposit therein, the Trustee shall use the moneys in the Series 2009 Debt Service Reserve Subaccount solely to make good the deficiency as provided in the Indenture. No part of the moneys in the Series 2009 Debt Service Reserve Subaccount shall ever be expended or used by the Trustee for any purpose other than as aforesaid so long as any Series 2009 Bonds are Outstanding, except as otherwise provided in the Indenture.

[Section 309. Establishment and Funding of Series 2009 Emergency Repair and Replacement Fund. (a) Pursuant to the provisions of Section 5.02, there is hereby established a fund, to be held by the City, designated as the "Series 2009 Emergency Repair and Replacement Fund."

(b) Amounts on deposit in the Series 2009 Emergency Repair and Replacement Fund shall be used to pay unusual or extraordinary Operation and Maintenance Costs and contingencies, including the prevention or correction of any unusual loss or damage to the System to the extent not covered by the proceeds of insurance or other moneys recoverable as a result thereof.

(c) The City shall deposit into the Series 2009 Emergency Repair and Replacement Fund, from the proceeds of the Series 2009 Bonds, the amount of \$-0-.

(d) The City shall transfer from the Revenue Fund, after the deposits required by Section 5.05(a) of the Indenture, but prior to the release of the Revenues pursuant to Section 5.05(b) of the Indenture, and deposit into the Series 2009 Emergency Repair and Replacement Fund, commencing on or before the fourth Business Day preceding _____, 20__, and on the fourth Business Day preceding the end of each month thereafter until and including _____, 201_, in approximately equal monthly installments, each in an amount at equal to at least \$_____ so that an amount equal to the Series 2009 Emergency Repair and Replacement Requirement is on deposit in the Series 2009 Emergency Repair and Replacement Fund by _____, 201_; *provided, however*, that (i) the final payment on _____, 201_, may be reduced to the extent of any interest earnings then on deposit in the Series 2009 Emergency Repair and Replacement Fund and (ii) if on any date the amount on deposit in the Series 2009 Emergency Repair and Replacement Fund shall equal or exceed the Series 2009 Emergency Repair and Replacement Requirement, the City shall not be required to make any further deposits in the Series 2009 Emergency Repair and Replacement Fund unless required to do so pursuant to the provisions of Section 309(e) hereof in the event that amount on deposit in the Series 2009 Emergency Repair and Replacement Fund shall subsequently be less than the Series 2009 Emergency Repair and Replacement Requirement.

(e) If moneys shall ever have been paid out of the Series 2009 Emergency Repair and Replacement Fund for the purpose specified in Section 309(b) hereof or if for any other reason moneys in the Series 2009 Emergency Repair and Replacement Fund shall have been removed and, in either case, if such moneys shall not have been replaced from any other source, the City shall deposit for credit to the Series 2009 Emergency Repair and Replacement Fund, an amount equal to such deficiency, such amount to be deposited in not to exceed 60 approximately equal monthly payments commencing on or before the fourth Business Day preceding the end of the month next following the month during which such deficiency occurs, so as to cause the balance in the Series 2009 Emergency Repair and Replacement Fund to be equal to the Series 2009 Emergency Repair and Replacement Requirement after all of such payments have been made.]

Section 310. Application of Proceeds of Series 2009 Bonds. (a) Delivery of installment checks by the State Agency for the payment of portions of the purchase price for the Series 2009 Bonds shall be deposited as provided below and shall be deemed for all purposes of the

Indenture and this Series 2009 Supplemental Resolution to be in full satisfaction of payment to the City of that amount, as the proceeds of sale of the Series 2009 Bonds. All such installment checks shall be in the amount of \$1,000 or any integral multiple thereof. The Trustee or the State Agency with the approval of the Trustee shall stamp or write the date of each payment made by the State Agency and the total principal sum of all such payments (being the total of all such payments of the purchase price made by the State) at the appropriate places on the Certificate of Dates of Payment and Amount appearing on the State Agency Bond. Thereupon, the Outstanding Principal amount of the State Agency Bond shall increase by the amount of such payment by the State. Upon the filing of the Written Certificate of the City as contemplated by Section 5.03(i) of the Indenture, the Payment Record attached to the State Agency Bond shall be completed by the Trustee or by the State Agency with the approval of the Trustee to provide for the cancellation of all or any part (in principal amounts of \$1,000 or integral multiples thereof) of one or more Series 2009 Principal Installments, in the inverse order of their maturity, shown on the Payment Record attached to the State Agency Bond equal to the amount of the principal of the Series 2009 Bonds, if any, which was not paid to the City by the State Agency by reason of the fact that the acquisition of the Series 2009 Project was completed without the necessity of advancing such amount to the City.

(b) The proceeds of the Series 2009 Bonds shall be paid to the Trustee for deposit into the Series 2009 Project Account.

ARTICLE IV

FORM OF SERIES 2009 BONDS

Section 401. Form of State Agency Bond. Subject to the provisions of the Indenture, the Series 2009 Bonds delivered to the State Agency as the State Agency Bond pursuant to Section 209 hereof shall be in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by the Indenture:

Registered
Number _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF SALT LAKE
SALT LAKE CITY
[TAXABLE] WATER AND SEWER REVENUE BOND, SERIES 2009

ISSUE DATE
_____, 2009

Registered Owner: _____

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Salt Lake County, Utah (the "City"), a duly organized and existing political subdivision and body corporate of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns the Total Principal Sum set forth in the "Certificate of Dates of Payment and Amount" set forth below, but in any event not more than a maximum principal amount of _____ Dollars (\$_____), payable in registered installments on _____ 1 of each of the years as set forth below, without interest, except as described below, as repayment of installments made by the State of Utah, Department of Environmental Quality, Water Quality Board, as recorded in the Certificate of Dates of Payment and Amount attached hereto and hereby made a part hereof.

The Bonds (as defined below) shall bear interest, calculated on the basis of a year of 360 days consisting of twelve 30-day months, on any unpaid Series 2009 Principal Installments following the due date thereof, to the extent permitted by law, at the rate of eighteen percent (18%) per annum from the due date of such Series 2009 Principal Installment until paid.

If the maximum principal amount is advanced, the repayment period and annual principal amounts of registered installments shall be as set forth in the following Repayment Schedule. If the total principal sum of this Bond is less than the maximum principal amount, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of maturities (and the amount of the final remaining principal installment shall be reduced, if required) to correspond to the Total Principal Sum and the City shall make the principal payments stated for each year beginning _____ 1, 2011 and continuing until the Total Principal Sum shall be paid in full.

REPAYMENT SCHEDULE

| 1 OF THE YEAR | AMOUNT MATURING |
|------------------|--------------------|
| 2011 | \$ |
| 2012 | |
| 2013 | |
| 2014 | |
| 2015 | |
| 2016 | |
| 2017 | |
| 2018 | |
| 2019 | |
| 2020 | |
| 2021 | |
| 2022 | |
| 2023 | |
| 2024 | |
| 2025 | |
| 2026 | |
| 2027 | |
| 2028 | |
| 2029 | |
| 2030 | |
| 2031 | _____ |
| TOTAL | \$_____ |

Principal and redemption price of this Bond shall be payable at the principal corporate trust office of U.S. Bank National Association, of Salt Lake City, Utah, as paying agent for 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; and payment of the interest, in any, hereon shall be made to the registered owner hereof and shall be paid by check or draft mailed on or before the payment date to the person who is the registered owner of record as of the close of business on the fifteenth day of the month immediately preceding each principal payment date 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 in writing by such registered owner to the Trustee as provided in the Indenture (defined below). The Trustee shall note on the Payment Record attached hereto the date and amount of payment of each installment of principal then being paid and theretofore paid and not yet noted thereon; provided, as long as the State of Utah, Department of Environmental Quality, Water Quality Board (the "State Agency") is the registered holder of this Bond, payments of principal and interest, if any, shall be made by check or draft drawn on the Trustee and mailed to the State Agency as the registered holder at the address shown on the registration books maintained by the Trustee. So long as the State Agency is the holder of this Bond, in lieu of

presentation or surrender of this Bond for notations of payments, the State Agency, by its Executive Secretary or his designee, shall endorse such payments upon the Repayment Schedule.

THE CITY IS OBLIGATED TO PAY THE PRINCIPAL AND REDEMPTION PRICE OF THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") OF THE CITY'S SYSTEM (AS DEFINED BELOW) AND OTHER FUNDS OF THE CITY PLEDGED THEREFOR UNDER THE TERMS OF THE INDENTURE. THIS BOND IS NOT A DEBT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. 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, IF ANY, ON THIS BOND.

[THE INTEREST ON THIS BOND (IMPUTED OR OTHERWISE, INCLUDING ORIGINAL ISSUE DISCOUNT, IF ANY), IS NOT EXEMPT FROM FEDERAL INCOME TAXATION AND NO HOLDER OR FUTURE HOLDER HEREOF SHALL TREAT THIS BOND AS EXEMPT FROM FEDERAL INCOME TAXATION. THE CITY WILL NOT MAKE ANY ATTEMPT TO COMPLY WITH THE PROVISIONS OF SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR ANY REGULATIONS RELATING THERETO, OR ANY SUCCESSOR THERETO, WITH RESPECT TO THIS BOND OR INTEREST HEREON.]

This Bond is a special obligation of the City, authorized in the maximum principal amount of \$_____ and designated as "[Taxable] Water and Sewer Revenue Bonds, Series 2009" (the "*Series 2009 Bonds*"). The Series 2009 Bonds are issued under the provisions of the Utah Municipal Bond Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended (collectively, the "*Act*"), and the terms of Master Trust Indenture, dated as of January 1, 2004, as heretofore amended and supplemented (the "*Master Indenture*"), between the City and U.S. Bank National Association, as trustee (said trustee and any successors thereto under the Indenture being herein called the "*Trustee*"), as the same from time to time may be amended or supplemented, including by the Fourth Supplemental Trust Indenture, dated as of _____, 2009 (the "*Fourth Supplemental Indenture*"), between the City and the Trustee, authorizing the issuance of the Series 2009 Bonds (such Master Indenture and Fourth Supplemental Indenture and any and all such further supplemental indentures being herein collectively called the "*Indenture*"). The Bonds are issued for the purpose of paying a portion of the cost of acquiring a project consisting of improvements and extensions to the water, sewer and storm water system (the "*System*") of the City, together with all necessary appurtenant facilities (the "*Project*") and of paying expenses properly incident to the acquisition of the Project and to the issuance of the Bonds.

As provided in the Master 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 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.

The Series 2009 Bonds are dated as of the Issue Date specified above and are 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 of the City 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 to the Act is made for a description of the pledge and covenants securing the Series 2009 Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Series 2009 Bonds are issued and additional Bonds payable from the Revenues may be issued thereunder on a parity with the Bonds, 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 2009 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, they may be modified 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 in a form approved by the Trustee, duly executed by the registered owner or his duly authorized attorney, and thereupon the City shall issue in the name of the transferee a new registered Series 2009 Bond or Bonds of the same aggregate principal amount, series designation and maturity as the surrendered Bond, all as provided in the Indenture and upon the payment of the charges therein prescribed. The City, the Trustee, and any paying agent 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, if any, due hereon and for all other purposes whatsoever.

The Series 2009 Bonds are issuable in fully-registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple of \$1,000.

Principal on this Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the City in inverse order of

the due date of the principal installments herein, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid plus accrued interest, if any, to the Redemption Date on any past due principal hereof.

With respect to any notice of optional redemption of Series 2009 Bonds, unless upon the giving of such notice such Series 2009 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 2009 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 2009 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.

Notice of redemption shall be given by the Trustee by first class mail, not less than 30 nor more than 45 days prior to the redemption date, to the registered owner of this 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.

If notice of redemption shall have been given as aforesaid, the Series 2009 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated.

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.

THIS BOND IS ISSUED IN CONFORMITY WITH AND AFTER FULL COMPLIANCE WITH THE CONSTITUTION OF THE STATE OF UTAH AND PURSUANT TO THE PROVISIONS OF THE ACT AND ALL OTHER LAWS APPLICABLE THERETO. IT IS HEREBY CERTIFIED AND RECITED THAT ALL CONDITIONS, ACTS AND THINGS REQUIRED BY THE CONSTITUTION OR STATUTES OF THE STATE OF UTAH 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 THE SERIES OF BONDS OF WHICH THIS BOND IS A PART, 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 manually signed by the Trustee.

IN WITNESS WHEREOF, SALT LAKE CITY, SALT LAKE COUNTY, 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 the City Recorder, all as of the Issue Date specified above.

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

By _____
Mayor

ATTEST AND COUNTERSIGN:

City Recorder

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is the [Taxable] Water and Sewer Revenue Bond, Series 2009, of Salt Lake City, Salt Lake County, Utah, described in the within-mentioned Indenture.

Date of Registration and Authentication: _____.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signature

[FORM OF ASSIGNMENT]

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

UNIF TRANSFERS MIN ACT--

| | | |
|-------------------------|--|--|
| TEN COM | -- as tenants in common | _____ Custodian _____ |
| TEN ENT | -- as tenants by the entireties | (Cust) (Minor) |
| JT TEN | -- as joint tenants with right of survivorship | Under Uniform Transfers to Minors Act and not as |
| _____ tenants in common | | (State) |

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please Print or Typewrite Name and Address of Assignee)

Insert Social Security or Other
Identifying Number of Assignee

the within Bond of SALT LAKE CITY, SALT LAKE COUNTY, UTAH, and does hereby irrevocably constitute and appoint _____ Attorney to register the transfer of said 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" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

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

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

U.S. Bank National Association, as Trustee, hereby certifies that it has received from the State of Utah, Department of Environmental Quality, Water Quality Board, the original purchaser of this Bond, the amount of each principal advance indicated below on the date set forth opposite such amount; that the amount last inserted under the column "Total Principal Sum" is the total amount received by the Trustee on behalf of Salt Lake City, Salt Lake County, Utah, for the purchase of this Bond; that the Trustee has caused such certificate to be executed in the space provided opposite each such amount to evidence receipt of payment.

| AMOUNT OF PAYMENT | DATE OF PAYMENT | TOTAL PRINCIPAL SUM | SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL OF TRUSTEE |
|----------------------|--------------------|------------------------|---|
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |
| \$ _____ | _____ | \$ _____ | _____ |

REGISTERED
No. R- _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF UTAH

COUNTY OF SALT LAKE

SALT LAKE CITY

[TAXABLE] WATER AND SEWER REVENUE BOND,
SERIES 2009

MATURITY DATE

DATED DATE

_____, 1, _____

_____, 2009

Registered Owner:

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

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Salt Lake County, 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, upon presentation and surrender hereof, the principal amount identified above, with no interest, except as described below. Any principal hereof, which shall not be paid when due, shall bear interest, to the extent permitted by law, at the rate of eighteen percent (18%) per annum from the due date of such installment or fee until paid. This Bond, as to principal when due, will be payable at the principal corporate trust operations office of U.S. Bank National Association, in Salt Lake City, Utah, a 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 principal payment date (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.

THE CITY IS OBLIGATED TO PAY PRINCIPAL 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.

[THE INTEREST ON THIS BOND (IMPUTED OR OTHERWISE, INCLUDING ORIGINAL ISSUE DISCOUNT, IF ANY), IS NOT EXEMPT FROM FEDERAL INCOME TAXATION AND NO HOLDER OR FUTURE HOLDER HEREOF SHALL TREAT THIS BOND AS EXEMPT FROM FEDERAL INCOME TAXATION. THE CITY WILL NOT MAKE ANY ATTEMPT TO COMPLY WITH THE PROVISIONS OF SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR ANY REGULATIONS RELATING THERETO, OR ANY SUCCESSOR THERETO, WITH RESPECT TO THIS BOND OR INTEREST HEREON.]

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, Utah Code Annotated 1953, as amended (the "Act"), and all other laws applicable thereto.

This Bond is a special obligation of the City and is one of the water and sewer 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 January 1, 2004, as heretofore amended and supplemented (the "Master Indenture"), between the City and U.S. Bank National Association, as trustee (said trustee and any successor thereto under the Master Indenture being herein referred to as the "Trustee"), as further amended and supplemented by a Fourth Supplemental Trust Indenture, dated as of _____, 2009 (the "Fourth Supplemental Indenture"), between the City and the Trustee (such Master Indenture, as amended and supplemented by the Fourth Supplemental Indenture and as hereafter amended and supplemented, being herein referred to as the "Indenture"), for the purpose of (a) paying part of the costs of acquiring a project consisting of improvements and extensions to the water, sewer and storm water system of the City, together with all necessary appurtenant facilities and (b) paying of all expenses incident thereto and to the issuance of the Series 2009 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 "[Taxable] Water and Sewer Revenue Bonds, Series 2009" (the "Series 2009 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 2009 Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which

the Series 2009 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 2009 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 Series 2009 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 hereof and interest due hereon and for all other purposes whatsoever.

The Series 2009 Bonds are issuable solely in the form of fully registered Bonds, without coupons, in the denomination of \$1,000, or any integral multiple of \$1,000.

Principal on this Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the City in inverse order of the due date of the principal installments herein, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid plus accrued interest, if any, to the Redemption Date on any past due principal hereof.

With respect to any notice of optional redemption of Series 2009 Bonds, unless upon the giving of such notice such Series 2009 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 2009 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 2009 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 2009 Bonds are to be redeemed, the particular Series 2009 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 forty-five days prior to the redemption date, to the registered owner of each Series 2009 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 2009 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 2009 Bonds to be redeemed, together with interest, if any, to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2009 Bonds shall cease to accrue and become payable.

Less than all of a Series 2009 Bond in a denomination in excess of \$1,000 may be so redeemed, and in such case, upon the surrender of such Series 2009 Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Series 2009 Bond, at the option of such owner, registered Series 2009 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.

IN WITNESS WHEREOF, SALT LAKE CITY, SALT LAKE COUNTY, 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, SALT LAKE COUNTY, 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 [Taxable] Water and Sewer Revenue Bonds, Series 2009, of Salt Lake City, Salt Lake County, Utah.

Date of registration and authentication: _____.

U.S. BANK NATIONAL ASSOCIATION,
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 of survivorship and not as tenants in common | (Cust) (Minor) |
| | | | under Uniform Transfers to Minors Act of _____ |
| | | | (State) |

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

[Empty rectangular box]

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of SALT LAKE CITY, SALT LAKE COUNTY, 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.

ARTICLE V

MISCELLANEOUS

[Section 501. Arbitrage Covenant; Covenant to Maintain Tax-Exemption.] (a) The City covenants and certifies to and for the benefit of the purchasers and Holders from time to time of the Series 2009 Bonds that no use will be made of the proceeds of the issue and sale of the Series 2009 Bonds, or any funds or accounts of the City which may be deemed to be proceeds of the Series 2009 Bonds, pursuant to Section 148 of the Code and applicable Regulations proposed or promulgated thereunder, if such use, had it been reasonably expected on the date of issuance of the Series 2009 Bonds, would have caused the Series 2009 Bonds to be classified as "*arbitrage bonds*" within the meaning of Section 148 of the Code. Pursuant to this covenant, the City obligates itself to comply throughout the term of the Series 2009 Bonds with the requirements of Section 148 of the Code and the Regulations proposed or promulgated thereunder.

(b) The City further covenants and agrees to and for the benefit of the purchasers and Holders from time to time of the Series 2009 Bonds that the City (i) will not take any action that would cause interest on the Series 2009 Bonds to be or to become ineligible for the exclusion from gross income of the Holders of the Series 2009 Bonds as provided in Section 103 of the Code, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Series 2009 Bonds to be or to become ineligible for the exclusion from gross income of the Holders of the Series 2009 Bonds as provided in Section 103 of the Code and (iii) without limiting the generality of the foregoing, (A) will not take any action which would cause the Series 2009 Bonds, or any Series 2009 Bond, to be a "*private activity bond*" within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (B) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the Series 2009 Bonds, or any Series 2009 Bond, to be a "*private activity bond*" or to fail to meet any applicable requirement of Section 149 of the Code.

(c) The City covenants and certifies to and for the benefit of the purchasers and Holders from time to time of the Series 2009 Bonds that: (i) the City will at all times comply with the provisions of any Tax Certificates and the rebate requirements contained in Section 148(f) of the Code, including, without limitation, 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 except to the extent that the Series 2009 Bonds are exempt from such arbitrage rebate requirements as provided in the Code; and (ii) no bonds or other evidences of indebtedness of the City have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Series 2009 Bonds and ending 15 days following the date of delivery of and payment for the Series 2009 Bonds pursuant to a common plan of financing with the plan for the issuance of the Series 2009 Bonds and payable out of substantially the same source of revenues.

(d) The City hereby covenants to adopt, make, execute and enter into (and to take such actions, if any, as may be necessary to enable it to do so) any Indenture or Tax Certificate

necessary to comply with any changes in law or regulations in order to preserve the excludability of interest on the Series 2009 Bonds from gross income of the Holders thereof for federal income tax purposes to the extent that it may lawfully do so. The City further covenants to (i) impose such limitations on the investment or use of moneys or investment related to the Series 2009 Bonds, (ii) make such payments to the United States Treasury, (iii) maintain such records, (iv) perform such calculations and (v) perform such other acts as may be necessary to preserve the excludability of interest on the Series 2009 Bonds from gross income of the Holders thereof for federal income tax purposes to the extent that the City may lawfully do so.

(e) Pursuant to these covenants, the City obligates itself to comply throughout the term of the issue of the Series 2009 Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.]

Section 502. 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 503. 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 Third Supplemental Indenture.

Section 504. Partial Invalidity. In any one or more of the covenants or agreements, or portions thereof, provided in this Fourth Supplemental Indenture to be performed shall be contrary to law (other than the provisions of the Indenture limiting the liability of the City to make payments on the Bonds solely from Revenues and other amounts pledged therefor 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 Fourth Supplemental Indenture or of the Series 2009 Bonds; but the Holders of the Series 2009 Bonds and any other 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 505. Counterparts. This Fourth Supplemental 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 506. Effective Date. This Fourth Supplemental Indenture shall take effect immediately.

Section 507. 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 the Trustee's appointment under this Fourth Supplemental 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 Fourth Supplemental 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, U.S. Bank National Association, has caused this Fourth Supplemental Indenture to be executed by its Vice President, all as of the date hereof.

SALT LAKE CITY, SALT LAKE COUNTY, UTAH

By _____
Mayor

COUNTERSIGN AND ATTEST:

By _____
City Recorder

[SEAL]

APPROVED AS TO FORM:

By _____
Senior City Attorney

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Vice President