

Resolution No. 04-99

Eagle Mountain, Utah

May 4, 1999

The Town Council of the Town of Eagle Mountain, Utah County, Utah, met in regular session at its regular meeting place in said Municipality at 7:00 p.m. on Tuesday, the 4th day of May, 1999 with the following members present:

Robert E. Bateman, II	Mayor
Diane D. Bradshaw	Councilmember
Daniel A. Valentine	Councilmember
D. Cyril Watt	Councilmember

Also present:

John D Newman	Town Administrator
Janet B. Valentine	Town Clerk
Jerry Kinghorn	Town Attorney

Absent:

William E. Chipman	Councilmember
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After the meeting had been duly called to order and the minutes of the preceding meeting read and approved, and after other matters not pertinent to this resolution had been discussed, the Town Clerk presented to the Town Council a Certificate of Compliance With Open Meeting Law with respect to this May 4, 1999 meeting, a copy of which is attached hereto as Exhibit "A".

The following resolution was then considered by the Town Council:

RESOLUTION NO. 04-99

A RESOLUTION AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE SALE OF \$12,105,000 TOWN OF EAGLE MOUNTAIN, UTAH SPECIAL ASSESSMENT BONDS, SERIES 1999 EAGLE MOUNTAIN, UTAH SPECIAL IMPROVEMENT DISTRICT NO. 98-1 (THE "BONDS"), FIXING THE MAXIMUM INTEREST RATES TO BE BORNE THEREBY, PRESCRIBING THE FORM OF BONDS, MATURITY AND DENOMINATION OF SAID BONDS; CREATING A RESERVE FUND AS PROVIDED BY STATUTE AND A STABILIZATION RESERVE FUND, A BOND FUND, AND A CONSTRUCTION FUND; AND RELATED MATTERS.

WHEREAS, the Town Council of the Town of Eagle Mountain, Utah (the "Issuer"), has heretofore adopted proceedings for the construction of improvements in Eagle Mountain, Utah, Special Improvement District No. 98-1 (the "District"), and has adopted and approved an Assessment Ordinance for the District confirming the assessment roll for such improvements on the 4th day of May, 1999 (the "Assessment Ordinance"); and

WHEREAS, the Assessment Ordinance has been or will be published in accordance with the requirements of the laws of the State of Utah, and the Treasurer has notified or will notify all the owners of property assessed in the District of the assessment levied pursuant to the Assessment Ordinance; and

WHEREAS, the total cost of the improvements including overhead costs and the costs of funding the Reserve Fund herein defined was \$12,885,000, of which the Issuer's portion was \$0, leaving an amount to be paid through the issuance of bonds or from funds provided by the Issuer of \$12,885,000.

WHEREAS, A.G. Edwards & Son, Inc., Denver, Colorado, has submitted its offer to purchase the Bonds upon the terms and conditions set forth in a bond purchase agreement, a copy of which is attached hereto as Exhibit "B" (the "Purchase Agreement"); and

WHEREAS, the Town Council has determined that it is in the best interest of the Issuer to accept the offer of A.G. Edwards & Son, Inc., Denver, Colorado, and to award the sale of the Bonds to A.G. Edwards & Son, Inc., Denver, Colorado upon the terms set forth in the Purchase Agreement:

NOW, THEREFORE, Be It Resolved by the Town Council of the Town of Eagle Mountain, Utah:

ARTICLE I

DEFINITIONS; AUTHORITY

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

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

"Annual Debt Service Requirement" means the total principal, interest, and premium payments due and payable on the Bonds for any one Bond Fund Year, less capitalized interest.

"Assessment Fund" means the Eagle Mountain Utah Special Improvement District No. 98-1 Assessment Fund established pursuant to Section 4.2 herein to be held by the Issuer.

"Assessment Ordinance" means the assessment ordinance of the Issuer adopted on May 4, 1999 wherein the Issuer has assessed the owners of property which has been benefitted by the improvements constructed within the District.

"Bond Fund" means the Eagle Mountain, Utah Special Improvement District No. 98-1 Bond Fund established pursuant to Section 4.3 herein to be held and administered by the Trustee.

"Bond Fund Year" means the 12-month period beginning July 1 of each year and ending June 30 of the following year, except that the first Bond Fund Year shall not begin until July 1, 2002.

"Bond Registrar" means each Person appointed by the Issuer as bond registrar and agent for the transfer, exchange and authentication of the Bonds. The initial Bond Registrar is U.S. Bank National Association, Corporate Trust Department, 15 West South Temple, 2nd Floor, Salt Lake City, Utah 84101, or its successors.

"Bond Resolution" means this Resolution of the Issuer adopted on May 4, 1999, authorizing the issuance and sale of the Bonds.

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

"Bonds" means the \$12,105,000 Town of Eagle Mountain, Utah Special Assessment Bonds, Series 1999 (Special Improvement District No. 98-1) authorized by this Bond Resolution.

"Capitalized Interest Reserve Account" means the Eagle Mountain, Utah Special Improvement District No. 98-1 Capitalized Interest Reserve Account established within the Reserve Fund pursuant to Section 10 of the Assessment Ordinance and pursuant to Section 4.4 herein to be held and administered by the Trustee.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Fund" means the Eagle Mountain, Utah Special Improvement District No. 98-1 Construction Fund established pursuant to Section 4.1 herein to be held and administered by the Trustee.

"Debt Service Reserve Account" means the Eagle Mountain, Utah Special Improvement District No. 98-1 Debt Service Reserve Account established within the Reserve Fund pursuant to Section 10 of the Assessment Ordinance and pursuant to Section 4.5 herein.

"Debt Service Reserve Requirement" means \$1,174,185.

"District" means the Eagle Mountain, Utah Special Improvement District No. 98-1.

"Financial Advisor" means Lewis Young Robertson & Burningham, Inc. of Salt Lake City, Utah.

"Government Obligations" means direct noncallable obligations of (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America and evidences of ownership interest in such direct or unconditionally guaranteed obligations.

"Issuer" means the Town of Eagle Mountain, Utah County, Utah.

"Paying Agent" means each Person appointed by the Issuer as paying agent with respect to the Bonds. The initial Paying Agent is U.S. Bank National Association, Corporate Trust Department, 15 West South Temple, 2nd Floor, Salt Lake City, Utah 84101, or its successors or assigns.

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

"Purchase Agreement" means the Bond Purchase Agreement wherein the Underwriter offers to purchase the Bonds from the Issuer and the Issuer agrees to sell the Bonds to the Underwriter upon certain terms contained therein.

"Qualified Investments" means any investments authorized under the Utah State Money Management Act and includes Government Obligations.

"Rebate Calculation Date" means the interest payment date next preceding the fifth anniversary of the delivery date of the Bonds, each fifth anniversary of the initial Rebate Calculation Date and the date of retirement of the last Bond.

"Rebate Fund" means the fund of that name established pursuant to Section 4.7 herein.

"Rebatable Arbitrage" means that amount of rebate determined pursuant to Section 148(f)(2) of the Code.

"Record Date" means (a) in the case of each interest payment date, the Bond Registrar's close of business on the fifteenth calendar day immediately preceding such interest payment date, and (b) in the case of each redemption, such Record Date as shall be specified by the Bond Registrar in the notice of redemption required by Section 2.6 hereof, provided that such Record Date shall not be less than 15 calendar days before the mailing of such notice of redemption.

"Regulations" and all references thereto shall mean and include applicable final, proposed, and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made thereafter.

"Required Rebate Deposit" means the amount due to the Internal Revenue Service no later than 60 days after each Rebate Calculation Date pursuant to Section 148(f)(3) of the Code.

"Reserve Fund" means the Eagle Mountain, Utah Special Improvement District No. 98-1 Reserve Fund established pursuant to Section 10 of the Assessment Ordinance which consists of the Capitalized Interest Reserve Account and the Debt Service Reserve Account.

"Stabilization Reserve Fund" means the Eagle Mountain, Utah Special Improvement District No. 98-1 Stabilization Reserve Fund established pursuant to

Section 11 of the Assessment Ordinance and Section 4.6 herein to be held and administered by the Trustee.

"Stabilization Reserve Requirement" means \$1,174,185.

"Trustee" means U.S. Bank National Association, Corporate Trust Department, 15 West South Temple, 2nd Floor, Salt Lake City, Utah 84101, or its successors or assigns.

"Underwriter" means A.G. Edwards & Son, Inc., Denver, Colorado.

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

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

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

2.1. Authorization of Bonds, Principal Amount Designation and Series. In accordance with and subject to the terms, conditions and limitations established in this Bond Resolution, a series of special assessment bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of \$12,105,000. Such series of bonds shall be designated "Eagle Mountain, Utah Special Assessment Bonds, Series 1999 (Special Improvement District No. 98-1)." The Bonds shall be issued in fully registered form only, without coupons.

2.2. Purpose. The Bonds are hereby authorized to be issued for the purpose of (a) financing the costs of constructing roads, acquiring easements and installing sewer, water, telecommunications, electrical and gas utility improvements, constructing park and landscaping improvements, replacing above ground electric transmission lines with underground electric transmission lines, and completing any miscellaneous work necessary to complete the improvements in a proper and workmanlike manner, and related improvements (collectively, the "Improvements"), (b) funding the Reserve Fund, and (c) paying issuance expenses incurred in connection with the issuance of the Bonds.

2.3. Bond Details. The Bonds will fall due on December 15, 2012 and shall bear interest at the rate of 6.25% per annum.

Interest shall be payable annually on December 15 of each year beginning December 15, 1999 and shall be paid by check or draft mailed to the registered owners of record of the Bonds.

Each Bond shall accrue interest from the interest payment date next preceding the date on which it is authenticated, unless (a) it is authenticated before the first interest payment date following the initial delivery of Bonds, in which case interest shall accrue from the initial delivery date of the Bonds, or (b) if any Bond is authenticated on an interest payment date, in which case interest shall accrue from such interest payment date; provided that if at the time of authentication of any Bond, interest is in default, such Bond shall accrue interest from the date to which interest has been paid. The Bonds shall bear interest on overdue principal at the aforesaid respective rates.

2.4. Denominations and Numbers. Subject to the provisions of Sections 2.1 and 2.6 hereof, the Bonds shall be issued as fully registered bonds, without coupons, in the denomination of \$100,000 and integral multiples of \$1,000 in excess of \$100,000, not exceeding the amount of each maturity. The Bonds shall be numbered with the letter prefix "R" and shall be numbered from one (1) consecutively upwards in order of issuance.

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

2.6. Redemption.

(a) Optional Redemption. The Bonds are subject to optional redemption in whole or in part on any Business Day on and after December 15, 2008 by lot, at the option and direction of the Issuer, on the dates and at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth in the following table, plus accrued interest to the redemption date:

Redemption Date (<u>Dates Inclusive</u>)	Redemption <u>Price</u>
December 15, 2008 - December 14, 2009	103%
December 15, 2009 - December 14, 2010	102%
December 15, 2010 - December 14, 2011	101%
December 15, 2011 and thereafter	100%

(b) Mandatory Sinking Fund Redemption. The Bonds are also subject to mandatory sinking fund redemption at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

Redemption Date (December 15)	Principal Amount
December 15, 2002	\$800,000
December 15, 2003	850,000
December 15, 2004	900,000
December 15, 2005	955,000
December 15, 2006	1,015,000
December 15, 2007	1,080,000
December 15, 2008	1,150,000
December 15, 2009	1,220,000
December 15, 2010	1,295,000
December 15, 2011	1,375,000
December 15, 2012	1,465,000

Upon redemption of any Bonds (other than by application of mandatory sinking fund redemption amounts), an amount equal to the principal amount so redeemed shall be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Bonds at the option and discretion of the Issuer.

If fewer than all of the Bonds are to be redeemed, the particular Bonds or portion thereof to be redeemed shall be selected prior to the redemption date by the Bond Registrar, by lot by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Bonds of a denomination \$100,000 or any integral multiple of \$1,000 in excess thereof, provided that all Bonds must continue to be in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof.

Notice of redemption shall be given by the Bond Registrar by registered or certified mail, not less than thirty nor more than forty-five days prior to the redemption date, to the Holder, as of the Record Date, of each Bond which is subject to redemption, at the address of such Holder as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Holder on or prior to the Record Date. Each notice of redemption shall state the Record Date, the redemption date, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal of, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondholder receives such notice. Failure to give such notice or any defect therein with

respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

2.7. Sale of Bonds.

(a) The Bonds are hereby sold to the Underwriter at an aggregate price of \$11,439,225 (the total principal amount of the Bonds, less an original issue discount of \$363,150 and an underwriter's discount of \$302,625 on the terms and conditions set forth in the Purchase Agreement attached hereto as Exhibit "B" and upon the basis of the representations therein set forth. To evidence the acceptance of the Purchase Agreement, the Mayor of the Issuer is hereby authorized to execute and deliver, and the Town Clerk of the Issuer to seal and attest, the Purchase Agreement.

(b) The use and distribution of preliminary drafts of pertinent documentation by the Underwriter in the marketing of the Bonds is hereby ratified and approved. The final form of Official Statement of the Issuer in substantially the form attached hereto as Exhibit "C", with such changes, insertions and revisions as the Mayor of the Issuer shall approve, is hereby authorized and the Mayor of the Issuer shall execute and deliver such final Official Statement to the Underwriter for distribution to prospective purchasers of the Bonds and other interested persons. The approval of the Mayor of the Issuer of any such changes, omissions, insertions and revisions shall be conclusively established by said Mayor's execution of the final Official Statement.

2.8. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer by the Mayor of the Issuer and attested by the Town Clerk of the Issuer (the signatures of said Mayor and Town Clerk being either manual and/or by facsimile) and the corporate seal of the Issuer or a facsimile thereof shall be impressed or imprinted thereon. The use of such facsimile signatures of said Mayor and Town Clerk and such facsimile of the seal of the Issuer on the Bonds are hereby authorized, approved and adopted by the Issuer as the authorized and authentic execution, attestation and sealing of the Bonds by said officials. The Bonds shall then be delivered to the Bond Registrar for manual authentication by it. The Certificate of Authentication shall be substantially in the form provided in Article XI hereof. Only such of the Bonds as shall bear thereon a Certificate of Authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so certified have been duly registered and delivered under, and are entitled to the benefits of, this Bond Resolution and that the Holder thereof is entitled to the benefits of this Bond Resolution. The Certificate of Authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (a) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be certified as

registered by the same Bond Registrar, and (b) the date of authentication of the Bond is inserted in the place provided therefor on the Certificate of Authentication.

The Mayor and Town Clerk of the Issuer are authorized to execute, attest and seal from time to time, in the manner described above, Bonds (the "Exchange Bonds") to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article III hereof. At the time of the execution, attestation and sealing of the Exchange Bonds by the Issuer, the payee, principal amount, CUSIP number, if any, maturity and interest rate shall be in blank. Upon any transfer or exchange of Bonds pursuant to Article III hereof, the Bond Registrar shall cause to be inserted in appropriate Exchange Bonds the appropriate payee, principal amount, maturity and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds, and to complete, certify as to registration and authenticate (if applicable) and deliver the Exchange Bonds, for the purpose of effecting transfers and exchanges of Bonds; provided that any Exchange Bonds registered, authenticated (if applicable) and delivered by the Bond Registrar shall bear the same series, maturity and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer, and shall bear the name of such payee as the Bondholder requesting an exchange or transfer shall designate; and provided further that upon the delivery of any Exchange Bonds by the Bond Registrar a like principal amount of Bonds submitted for transfer or exchange, and of like series and having like maturities and interest rates, shall be canceled. The execution, attestation and sealing by the Issuer and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bond containing such payee, principal amount, maturity and interest rate as the Bond Registrar shall cause to be inserted, and the Bond Registrar shall thereby be authorized to authenticate and deliver such Exchange Bond in accordance with the provisions hereof.

In case any officer whose signature or a facsimile of whose signature shall appear on any Bond (including any Exchange Bond) shall cease to be such officer before the issuance or delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

2.9. Book-Entry System.

(a) Except as provided in Paragraphs (b) and (c) of this Section 2.9, the registered holder of the Bonds shall be, and the Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of The Depository Trust Company, New York, New York (together with any substitute securities depository appointed pursuant to Paragraph (c)(ii) of this Section 2.9, "DTC"). Payment of interest for any Bond, as applicable, shall be made in accordance with the provisions of this Bond Resolution to the account of Cede on the interest payment date for the Bonds at the address indicated for Cede in the registration books of the Bond Registrar.

(b) The Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books of the Issuer kept by the Bond Registrar, in the name of Cede, as nominee of DTC. With respect to Bonds so registered in the name of Cede, the Issuer, the Bond Registrar, and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owners of any of such Bonds. Without limiting the immediately preceding sentence, the Issuer, the Bond Registrar, and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede, or any DTC participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any DTC participant, beneficial owner, or other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner, or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, any of the Bonds. The Issuer, the Bond Registrar, and any Paying Agent may treat DTC as, and deem DTC to be, the absolute owner of each Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each such Bond, (2) giving notices of redemption and other matters with respect to such Bonds, and (3) registering transfers with respect to such Bonds. So long as the Bonds are registered in the name of Cede & Co., the Paying Agent shall pay the principal or redemption price of, and interest on, all Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Issuer's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in Paragraph (c) of this Section 2.9, no person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal or redemption price of, and interest on, any such Bond pursuant to this Bond Resolution. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this Bond Resolution, the word "Cede" in this Bond Resolution shall refer to such new nominee of DTC.

Except as provided in paragraph (c)(iii) of this Section 2.9, and notwithstanding any other provisions of this Bond Resolution, the Bonds may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

(c) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer, the Bond Registrar, and the Paying Agent, which notice shall certify that

DTC has discharged its responsibilities with respect to the Bonds under applicable law.

(ii) The Issuer, in its sole discretion and without the consent of any other person, may, by notice to the Bond Registrar, terminate the services of DTC with respect to the Bonds if the Issuer determines that the continuation of the system of book-entry-only transfers through DTC is not in the best interests of the beneficial owners of the Bonds or the Issuer; and the Issuer shall, by notice to the Bond Registrar, terminate the services of DTC with respect to the Bonds upon receipt by the Issuer, the Bond Registrar, and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Bonds; or (2) a continuation of the requirement that all of the outstanding Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owners of the Bonds.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to Subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to Subsection (c)(i) or Subsection (c)(ii)(1) hereof the Issuer may within 90 days thereafter appoint a substitute securities depository which, in the opinion of the Issuer, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. In such event, the Issuer shall execute and the Bond Registrar shall authenticate Bond certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interest in the Bonds.

(iv) Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the representation letter of the Issuer and the Bond Registrar addressed to DTC with respect to the Bonds.

(v) In connection with any notice or other communication to be provided to Holders of Bonds registered in the name of Cede pursuant to this Bond Resolution by the Issuer or the Bond Registrar with respect to any consent or other action to be taken by such Holders, the Issuer shall establish a record date for such consent or other action by such Holders and give DTC notice of such record date not less than fifteen (15) days in advance of such record date to the extent possible.

2.10. Delivery of Bonds. The Bonds shall be delivered to the Underwriter at such time and place as provided in, and subject to, the provisions of the Purchase Agreement. The Treasurer of the Issuer is hereby instructed to make delivery of the Bonds to the Underwriter and to receive payment therefor in accordance with the terms of the Purchase Agreement.

2.11. Application of Proceeds of Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Bonds (less an Underwriter's discount and original issue discount as follows:

- (a) In the Capitalized Interest Reserve Account the amount of \$1,664,875.70 to pay interest on the Bonds through December 15, 2001;
- (b) In the Debt Service Reserve Account, the amount of \$1,174,185;
- (c) The remaining amount in the Construction Fund to be used to pay the costs of the Improvements within the District and costs of issuance of the Bonds.

Simultaneously with the deposit of proceeds of the Bonds to the accounts and funds provided above, the Trustee shall deposit in the Stabilization Reserve Account the amount of \$500,000 received from certain owners of property assessed within the District.

2.12. Further Authority. The Mayor and the Town Clerk of the Issuer and other officers of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale, registration and delivery of the Bonds.

ARTICLE III

TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

3.1. Transfer of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 3.5 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.8 hereof) of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond.

(c) The Issuer shall not be required to register the transfer of or exchange any Bond selected for redemption in whole or in part, except the unredeemed portion of Bonds being redeemed in part. Upon surrender of any Bond redeemed in part only, the Issuer shall execute and the Bond Registrar shall authenticate and deliver to the Bondholder, at the expense of the Issuer, a new Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.8 hereof) of the same series, designation, maturity and interest rate and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

3.2. Exchange of Bonds. Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully registered

Bonds (which may be an Exchange Bond or Bonds pursuant to Section 2.8 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made (i) with respect to any interest payment date after the Record Date to and including such interest payment date, or (ii) with respect to any redemption of any Bond, after such Record Date as shall be specified by the Bond Registrar in the notice of redemption, provided that such Record Date shall not be less than 15 calendar days before the mailing of such notice of redemption.

3.3. Bond Registration Books. This Bond Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code Annotated 1953. The Bond Registrar shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

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

3.5. Duties of Bond Registrar. If requested by the Bond Registrar, the Mayor and Town Clerk of the Issuer are authorized to execute the Bond Registrar's standard form of agreement between the Issuer and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent, and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish the Issuer at least annually a certificate with respect to Bonds canceled and/or destroyed; and

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

ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS

Section 4.1. Creation of Construction Funds. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referenced to as the Construction Fund.

Section 4.2. Creation of Assessment Fund. There is hereby created and ordered established with the Issuer a fund in the name of the Issuer referenced to as the Assessment Fund. For accounting purposes, the Assessment Fund may be redesignated by different account names by the Issuer from time to time.

Section 4.3. Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referenced to as the Bond Fund.

Section 4.4. Creation of Capitalized Interest Reserve Account. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referenced to as the Capitalized Interest Reserve Account.

Section 4.5. Creation of Debt Service Reserve Account. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referenced to as the Debt Service Reserve Account.

Section 4.6. Creation of Stabilization Reserve Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referenced to as the Stabilization Reserve Fund.

Section 4.7. Creation of Rebate Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referenced to as the Rebate Fund.

ARTICLE V

USE OF FUNDS

Section 5.1. Use of Assessment Fund. All assessment payments received and collected by the Issuer shall be deposited in the Assessment Fund and shall be transferred immediately to the Trustee for deposit in the funds and accounts as follows:

(a) all regularly scheduled assessment payments shall be deposited by the Trustee in the Bond Fund to be used to pay principal and interest on the Bonds as the same come due;

(b) of the 125% principal prepayment amount calculated under Section 6(b)(ii) of the Assessment Ordinance, 80% of the principal prepayment shall be deposited by the Trustee in the Bond Fund to be used to pay the mandatory sinking fund payment or payments next falling due on the Bonds as set forth in Section 2.6(b) herein, and the remaining 20% of the principal prepayment shall be deposited by the Trustee in the Stabilization Reserve Fund in accordance with Section 12 of the Assessment Ordinance to be used in the manner provided in Section 5.6 herein;

(c) any amounts paid as part of a prepayment (i) to pay interest to the next succeeding interest payment date and (ii) to assure the availability of money to pay interest on the Bonds as interest becomes due and payable, including a premium, if any, shall be deposited by the Trustee in the Bond Fund; and

(d) any amounts paid to cover the administration costs of the Issuer shall be remitted to the Issuer; and

(e) all remaining assessment payments shall be deposited by the Trustee in the Bond Fund to be used to pay principal and/or interest on the Bonds as the same come due.

Section 5.2. Use of Construction Fund.

(a) Moneys in the Construction Fund shall be paid out by the Trustee to pay costs of issuance and costs of the Improvements. Costs of issuance will be paid on the delivery date of the Bonds pursuant to a written authorization signed by the Mayor of the Issuer. Payment of costs of the Improvements shall be made in each case within three business days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition in substantially the form as Exhibit "D" attached hereto, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the

person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a cost of the Improvements based upon audited, itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the Construction Fund. In making such payments the Trustee may rely upon such requisition.

(c) The Issuer shall deliver to the Trustee within 90 days after the completion of the Improvements, a certificate stating:

(i) that such Improvements have been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for the Improvements; and

(ii) that the Issuer is of the opinion that the Improvements have been fully paid for and no claim or claims exist against the Issuer out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, there shall be filed with the Trustee a similar certificate when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to the Construction Fund and all disbursements therefrom.

(f) Upon completion of the Improvements and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.2, any balance remaining in the Construction Fund shall be deposited in the Bond Fund, to be applied, as directed by the Issuer, to pay principal and/or interest next falling due with respect to the Bonds.

Section 5.3. Use of Bond Fund.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

(i) the amounts provided for in Section 5.1 herein;

(ii) any amount in the Construction Fund to the extent required by Section 5.2(f) herein upon completion of the Improvements;

(iii) moneys transferred from the Capitalized Interest Reserve Account as provided in Section 5.4(b) herein.

(iv) moneys transferred from the Debt Service Reserve Account as provided in Section 5.5 herein; and

(v) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as provided in this Section, moneys in the Bond Fund shall be expended solely for the following purposes:

(i) the payment of principal of and interest on the Bonds as the same become due; and

(ii) the payment of principal and interest accrued, if any, on the Bonds as the same become due upon redemption prior to maturity and such payments and redemption of Bonds in advance of their maturity shall be accounted for separately by the Trustee from the payments made by the Trustee pursuant to Subparagraph (i) of this Paragraph (b).

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund to pay principal of and interest on the Bonds as the same become due and payable and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal and interest.

(c) After payment in full of the principal of and interest on all Bonds issued hereunder (or after provision has been made for the payment thereof so that such Bonds are no longer outstanding) and the fees, charges and expenses of the Trustee, Paying Agent, Bond Registrar and any other amounts required to be paid hereunder; all amounts remaining in the Bond Fund shall be paid to the Issuer.

Section 5.4. Use of Capitalized Interest Reserve Account. The Trustee shall transfer moneys to the Bond Fund from the Capitalized Interest Reserve Account to pay interest on the Bonds as the same falls due through December 15, 2001. Any remaining balance in the Capitalized Interest Reserve Account after December 15, 2001 shall be transferred to the Bond Fund, to be used to pay interest next falling due on the Bonds.

Section 5.5. Use of Debt Service Reserve Account. Except as otherwise provided in this Section, moneys in the Debt Service Reserve Account shall at all times

be maintained in an amount not less than the Debt Service Reserve Requirement. Moneys on deposit in the Debt Service Reserve Account shall be used to make up any deficiencies in the Bond Fund for the Bonds. If at any time the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, the Trustee shall transfer moneys from the Stabilization Reserve Fund to the Debt Service Reserve Account sufficient to replenish the Debt Service Reserve Account to the Debt Service Reserve Requirement. In the event there are insufficient moneys in the Stabilization Reserve Fund to fully replenish the Debt Service Reserve Account to the Debt Service Reserve Requirement, the Issuer may replenish the Debt Service Reserve Account from proceeds received from the sale of delinquent property as provided in the Act. If, however, the Debt Service Reserve Account is not fully replenished after the Issuer has exhausted all of its remedies against delinquent property, the Debt Service Reserve Account shall be replenished on or before the December 15 next succeeding the initial date the Debt Service Reserve Fund had on deposit less than the Debt Service Reserve Requirement by (i) an appropriation from the general fund of the Issuer, (ii) by the levy of a tax of not to exceed .0002 per dollar of taxable value of taxable property in any one year, (iii) by the issuance of general obligation bonds of the Issuer (however, the issuance of such bonds would require voter approval), or (iv) by appropriation from such other sources as may be determined by the Issuer.

Moneys at any time on deposit in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement shall on October 1 of each year be transferred to the Bond Fund to be used to pay principal and/or interest on the Bonds as the same come due. All assessment payments coming due on the next assessment payment date shall be reduced pro rata as a result of said transfer from the Debt Service Reserve Account.

Section 5.6. Use of Stabilization Reserve Fund.

(a) The Trustee shall receive for deposit in the Stabilization Reserve Fund, 20% of the principal prepayments of assessments constituting excess prepayments as provided in Section 12 of the Assessment Ordinance.

(b) When moneys in the Stabilization Reserve Fund have accumulated in excess of the Stabilization Reserve Requirement and the Debt Service Reserve Fund is fully funded, moneys in excess of the Stabilization Reserve Requirement shall be remitted by the Trustee to the property owners who initially funded said Fund until their initial \$500,000 contribution has been reimbursed in full. Thereafter, any moneys on deposit in excess of the Stabilization Reserve Requirement shall be transferred first, to the Debt Service Reserve Account to the extent there is not on deposit the Debt Service Reserve Requirement and second, to the Bond Fund and used to optionally redeem Bonds pursuant to Section 2.6(a) herein, and to pay premium, if any, and interest accruing on said redeemed Bonds to the date on which said Bonds are redeemed.

(c) In the event the amount on deposit in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement, the Trustee shall replenish the Debt Service Reserve Account to the Debt Service Reserve Requirement with money on deposit in the Stabilization Reserve Fund.

Section 5.7. Use of Rebate Fund.

(a) The Trustee shall establish and thereafter maintain, so long as the Bonds are outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Bond Resolution and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Bond Resolution. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for the Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, less amounts of Rebatable Arbitrage theretofore paid to the United States for the Bonds, the Trustee shall, upon the Issuer's request, withdraw from the Rebate Fund and pay to the Issuer an amount not to exceed such excess.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to the Bonds on each applicable Rebate Calculation Date. The Issuer shall retain records of all such determinations until six years after the retirement of the last Bond to which such records pertain. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to the Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Bond Resolution other than the Rebate Fund). The Issuer shall instruct the Trustee to withdraw from the Rebate Fund and pay over to the United States Government with respect to the Bonds: (1) not less frequently than once each five years commencing no later than 60 days after the first Rebate Calculation Date for the Bonds and upon each fifth anniversary of such date, an amount which when added to all previous rebate payments made with respect to the Bonds equals 90% of the sum of the Rebatable Arbitrage pertaining to the Bonds plus the amount, if any, of Rebatable Arbitrage theretofore paid to the United States with respect to the Bonds, and (2) not later than 60 days after the retirement of the last Bond, 100% of the Rebatable Arbitrage with respect to the Bonds. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Bond Resolution must be verified in writing by an independent public accountant or other qualified professional.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Bond Resolution) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) The Trustee, on behalf of the Issuer, shall keep and retain, until the date six years after the retirement of the last of the Bonds, records with respect to the Bonds and the investment and expenditure of proceeds thereof to comply with the aforementioned arbitrage rebate requirements, including without limitation a complete list of all investments and reinvestments of proceeds of the Bonds. For purposes of the computation required by above, the Trustee shall upon request, furnish to the Issuer all information in the Trustee's control which is necessary for such computations.

(f) The Issuer hereby covenants and agrees that it will not enter, and will not cause the Trustee to enter into, any transaction or cause any transaction to be entered into with respect to the investment of proceeds of the Bonds, or otherwise, which reduces the amount which may be required to be paid to the United States pursuant to the arbitrage rebate requirements specified hereinabove, because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Bonds not been relevant to either party.

(g) The provisions of this Section may be amended or deleted, with respect to any of the Bonds, from this Bond Resolution upon receipt by the Issuer and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the exclusion from gross income of interest on the Bonds.

Section 5.8. Investment of Funds. All moneys in the Bond Fund, the Construction Fund, the Capitalized Interest Reserve Account, the Debt Service Reserve Account, the Stabilization Reserve Account and the Rebate Fund may, at the discretion and written authorization of the Issuer, be invested by the Trustee in Qualified Investments provided, however, THAT MONEYS ON DEPOSIT IN THE BOND FUND AND THE STABILIZATION RESERVE ACCOUNT MAY NOT BE INVESTED IN OBLIGATIONS HAVING A YIELD IN EXCESS OF THE YIELD ON THE BONDS, and further provided that all moneys in the Rebate Fund shall, at the discretion and written authorization of the Issuer, be invested by the Trustee only in Government Obligations. All income derived from the investment of the Construction Fund, the Bond Fund, the

Rebate Fund and the Capitalized Interest Reserve Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with Section 5.5 herein.

In the event the Issuer shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the exclusion of interest payable or paid on the Bonds from gross income for federal income tax purposes, the Issuer may require the Trustee to take such steps as it may be advised by such counsel are necessary so to restrict or limit the yield on such investment, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

Section 5.9. Trust Funds. All moneys and securities received by the Trustee under the provisions of this Bond Resolution shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except as provided otherwise in Section 5.8 herein, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 5.10. Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at cost, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Debt Service Reserve Account or Stabilization Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

ARTICLE VI

COVENANTS AND UNDERTAKINGS

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

6.2. Ratification of Prior Proceedings. All the proceedings heretofore taken and adopted for the creation of the District and for the construction of the Improvements and the assessment of the cost of constructing such Improvements on and against the private properties in the District as set forth in the Assessment Ordinance shall be and the same are hereby ratified, approved, and confirmed. No assessment will exceed the benefit to be derived from the improvements by the piece of property assessed, and no parcel of property will bear more than its proportionate share of the cost of the Improvements to be made.

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

6.4. Lien of Assessment. The assessments, any interest accruing on the assessments and the penalties and costs of collection of the assessment shall continue to constitute and are hereby declared to be a lien against the properties upon which the assessment is levied within the District from and after the date on which the Assessment Ordinance shall become or become effective. Said lien shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, and shall be equal to and on a parity with the lien for general property taxes. Said lien shall apply without interruption, change in priority, or alteration in any manner to any reduced obligations and shall continue until the assessment and any interest, penalties, and costs thereon are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax, other assessment, or the issuance of a tax deed, an assignment of interest by the county, or a sheriff's certificate of sale or deed.

6.5. Default in Payment of Assessments. In the event a default occurs in the payment of any installment of principal or interest of the assessments levied pursuant to the Assessment Ordinance when due and after the Issuer has provided notice of such default and a thirty (30) day period to remedy the default as provided in the Assessment Ordinance has lapsed, the Issuer shall immediately initiate a summary sale pursuant to Section 17A-3-324(2) and related pertinent provisions of the Act, of all delinquent property in the manner provided for actions to foreclose trust deeds. If at the sale, no person shall bid and pay the Issuer the amount due on the assessment plus interest and costs, the property shall be deemed sold to the Issuer for these amounts. The Issuer shall bid at the sale as necessary to insure that the property is sold for at least an amount equal to the amount due on the assessment plus interest and costs.

If any property is sold to the Issuer at final sale, the Issuer shall, for so long as it retains ownership of the property so sold, pay all annual assessment installments that become due, including interest thereon. The payments shall be made out of the Debt Service Reserve Account and paid into the Bond Fund. In the event there are insufficient moneys in the Debt Service Reserve Account, the Issuer may either issue warrants against the Debt Service Reserve Account drawing interest at the rate or rates determined by the Town Council of the Issuer or fund the Debt Service Reserve Account as provided in Section 5.5 hereof to meet any financial liabilities accruing against it. Should the Town Council issue interim warrants against the Debt Service Reserve Account, it shall, at the time of making its next annual tax levy, provide for the levy of a sum sufficient, with other resources of said Account, to pay warrants so issued and outstanding, the tax for which may not exceed .0002 per dollar of taxable value of taxable property within the Issuer in any one year.

If the Issuer sells the property it has purchased at a summary sale, the purchase price paid for it shall not be less than an amount sufficient to reimburse the Debt Service Reserve Account for all amounts paid out of said Account with respect to said property for delinquent assessments or parts or installments of them, plus interest, penalties and costs. The sales price of the property and any interest on it paid in installments shall first be paid into the Debt Service Reserve Account to the extent of the full reimbursement requirement, and the remaining funds will be paid into the Bond Fund.

The remedies provided in this section for the collection of assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the Issuer of the use of any other method or means.

6.6. Limited Obligation of Issuer. Notwithstanding anything contained elsewhere herein to the contrary, the Bonds are not a general obligation of the Issuer, but are payable exclusively out of the Bond Fund. The Issuer shall not be liable for the payment of the Bonds, except to the extent of the funds created and received from the special assessments including the Capitalized Interest Reserve Account, the Debt Service

Reserve Account and the Stabilization Reserve Fund, but the Issuer shall be held responsible for the lawful levy of all assessments, for the creation and maintenance of the Debt Service Reserve Account, the Capitalized Interest Reserve Account and the Stabilization Reserve Fund as provided herein, and for the faithful accounting, collection, settlement, and payment of the assessments.

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

6.8. Tax Covenant. The Issuer further covenants and agrees to and for the benefit of the Bondholders that the Issuer (i) will not take any action that would cause interest on the Bonds to become subject to federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Bonds to become subject to federal income taxation, and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the exemption from federal income taxation of interest on the Bonds. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of the Bonds with the requirements of Section 148 of the Code and the regulations promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer further represents and covenants that no bonds or other evidences of indebtedness of the Issuer have been or will be issued, sold or delivered within a period beginning 15 days prior to the date of the Bonds and ending 15 days following the delivery of the Bonds.

ARTICLE VII

THE TRUSTEE

Section 7.1. Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Bond Resolution against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds or for the validity of the execution by the Issuer of this Bond Resolution or of any amendments thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond,

shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Mayor and attested by its Town Clerk as sufficient evidence of the facts therein contained. The Trustee may accept a certificate of the Town Clerk of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any event of default hereunder except a payment default on the Bonds and a failure to fund the Debt Service Reserve Account and Stabilization Reserve Fund as provided herein, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the Registered Owners of at least 25% in the aggregate principal amount of the Bonds then outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no event of default except as aforesaid.

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

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

(j) All moneys received by the Trustee or the Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor the Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(k) The Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(l) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Bond Resolution at the request, order or direction of any of the Bondholders, pursuant to the provisions of this Bond Resolution, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

Section 7.2. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided.

Section 7.3. Notice to Registered Owners if Event of Default Occurs. The Trustee shall give written notice of any Event of Default as herein defined in payment by registered or certified mail to all Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 7.4. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by the Registered Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 7.5. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.6. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the

Issuer, served personally or by registered mail, and by registered or certified mail to each Registered Owner of Bonds then outstanding, and such resignation shall take effect upon the appointment of a successor Trustee by the Registered Owners or by the Issuer as provided in Section 7.8 hereof; provided, however that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 7.7. Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee, and signed by the Issuer (so long as the Issuer is not in default under any of its obligations hereunder) or signed by the Registered Owners of a majority in aggregate principal amount of Bonds then outstanding, provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 7.8. Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer or by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by its Mayor and attested by its City Recorder under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee appointed pursuant to the provisions of this Section or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000.

Section 7.9. Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor

the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed or recorded by the successor Trustee in each recording office, if any, where the Bond Resolution shall have been filed or recorded.

Section 7.10. Trustee Protected in Relying Bond Resolution, Etc. This Bond Resolution, opinions, certificates and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 7.11. Successor Trustee; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee, Registrar and Paying Agent hereunder, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 7.12. Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Bond Resolution that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adapted to these ends.

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

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on

request of such trustee or co-trustee, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 7.13. Annual Accounting. The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least 25 % in aggregate principal amount of Bonds then outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports that were delivered by the Trustee during the Bond Fund Year just ended.

Section 7.14. Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Bond Resolution, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Bond Resolution, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Bond Resolution.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund hereunder or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) if the Issuer defaults in the performance or observance of any covenant, agreement or condition on the part of the Issuer hereunder or under the Assessment Ordinance (other than defaults mentioned in (a) and (b) above) and fails to remedy the same for a period of 30 days after notice of the default is given by the Trustee or Holders of at least 25% of principal amount of outstanding Bonds.

Section 8.2. Remedies; Rights of Bondholders. Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon request of the Holders of at least 25% in aggregate principal amounts of Bonds outstanding (subject to the indemnity provisions provided herein) shall, pursue any available remedy by suit at law or in equity to enforce payment on the Bonds or to enforce any obligation of the Issuer hereunder or under the Assessment Ordinance including the power to declare the principal amount of outstanding Bonds to be immediately due and payable if all assessment obligations have been accelerated by the Issuer under the Assessment Ordinance. No remedy conferred upon or reserved to the Trustee (or to the Holders) is intended to be exclusive of any other remedy, but each remedy is cumulative and is in addition to every other remedy given hereunder and under the Assessment Ordinance or at law or otherwise to the Trustee or to the Holders.

The Holders of a majority in aggregate principal amount of Bonds outstanding shall have the right any time to direct, by instruments delivered to the Trustee, the method and place of conducting all proceedings to be taken by the Trustee in connection with the enforcement of the terms and conditions of this Resolution and the Assessment Ordinance;

provided, that such direction is in accordance with the provisions of law and of this Resolution and the Assessment Ordinance and the Trustee is indemnified to its satisfaction.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 8.3. Right of Bondholders to Direct Proceedings. Anything herein to the contrary notwithstanding, the Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to direct by written instrument delivered to the Trustee, the time, the method and place of conducting all proceedings to be taken by the Trustee in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Resolution.

Section 8.4. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of Trustee's fees and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund together with any other money held in any fund held hereunder, shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds as follows:

(i) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST--To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any discrimination or privilege; and

SECOND--To the payment to the Holders entitled thereto of the unpaid principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for

the payment of which moneys are held pursuant to the provisions hereof), with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Bondholders shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 8.5. Rights and Remedies of Bondholders. Except as provided in the last sentence of this Section, no Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred. No one or more Holder of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds then outstanding. Nothing herein contained shall, however, affect or impair the right of any Bondholder to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Bondholder at the time, place, from the source and in the manner in said Bonds expressed.

Section 8.6. Termination of Proceedings. In case the Trustee or Bondholders shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or Bondholders, then and

in every such case the Issuer the Trustee and the Bondholder shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and Bondholders shall continue as if no such proceedings had been taken.

Section 8.7. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of any Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due in connection with such Event of Default shall have been paid or provided for by payment to the Trustee, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

ARTICLE IX

SUPPLEMENTAL RESOLUTIONS AND ORDINANCES

Section 9.1. Supplemental Resolutions and Ordinances Not Requiring Consent of Bondholders. The Issuer may, without the consent of, or notice to, any of the Bondholders, enter into a resolution or resolutions supplemental hereto, or an ordinance or ordinances supplemental to the Assessment Ordinance as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission herein or in the Assessment Ordinance;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Trustee or the Bondholders or any of them;
- (c) To subject to this Bond Resolution additional properties, collateral or security; and
- (d) To make any other change hereto which, in the judgment of the Trustee, is not materially prejudicial to the interests of the Bondholders.

Section 9.2. Supplemental Resolutions and Ordinances Requiring Consent of Bondholders; Waivers and Consents by Bondholders. Exclusive of supplemental resolutions and ordinances covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Holders of 66 2/3% in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer of such other resolution or resolutions supplemental hereto and ordinances supplemental to the Assessment Ordinance as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any supplemental resolution or in the Assessment Ordinance as supplemented, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any resolution supplemental hereto or in the Assessment Ordinance as supplemented; provided, however, that nothing in this Section contained shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Holder of such Bond, or (b) a reduction in the amount or extension of the time of any assessment or any other payment required hereunder or under the Assessment Ordinance to any fund established hereunder without the consent of the Holders of all the Bonds which would

be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Bondholders of which are required to consent to any such waiver or supplemental resolution or ordinance, or (d) affect the rights of the Holders of less than all Bonds then outstanding, without the consent of the Holders of all the Bonds at the time Outstanding which would be affected by the action to be taken. Prior to any supplemental resolution or ordinance becoming effective hereunder, the Trustee shall have on file written consent to such supplemental resolutions or ordinances executed by at least 66-2/3% in aggregate principal amount of all Bonds then outstanding.

ARTICLE X

DISCHARGE OF RESOLUTION

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Holders of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Paying Agent all sums of moneys due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee at the request of the Issuer shall cancel and discharge the lien hereof, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with the Trustee for the benefit of the Bondholders, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Government Obligations, maturing as to principal and interest in such amount and at such times (without further investment) as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Bondholders so paid as evidenced by a written consent of such Bondholder filed with the Trustee. The sufficiency of the Government Obligations to pay principal and interest on the Bonds when due at maturity or upon redemption and the determination that the yield on said Government Obligations does not exceed the yield on the Bonds shall be verified by a written report of a firm of independent public accountants delivered to the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have:

- (a) instructed the Paying Agent to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity; and
- (b) instructed the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Holders of such Bonds which have

been selected by the Trustee by lot that the deposit required by this Section has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Trustee shall first obtain a written verification from a firm of independent certified public accountants that the moneys remaining on deposit with the Trustee and invested in Government Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything herein to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Holder of each Bond affected thereby.

ARTICLE XI

FORM OF BONDS

Each fully registered Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required:

[FORM OF BOND]

Registered

Registered

UNITED STATES OF AMERICA
STATE OF UTAH
UTAH COUNTY
TOWN OF EAGLE MOUNTAIN
SPECIAL ASSESSMENT BOND
SERIES 1999
(SPECIAL IMPROVEMENT DISTRICT NO. 98-1)

Number R- _____

\$ _____

INTEREST	MATURITY	ORIGINAL	
RATE:	DATE:	ISSUE	
		DATE:	CUSIP:

Registered Owner: _____

Principal Amount: _____ DOLLARS

The Town of Eagle Mountain, Utah County, Utah (the "Issuer"), a duly organized and existing political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or registered assigns, on the Maturity Date identified above, upon presentation and surrender hereof, the Principal Amount identified above, and to pay the Registered Owner hereof interest on the balance of said Principal Amount from time to time remaining unpaid at the Interest Rate per annum (calculated on the basis of a year of 360 days and twelve 30-day months) identified above, payable annually beginning on December 15, 1999, and on the December 15 of each year thereafter until payment in full of said Principal Amount, except

as the provisions set forth in the hereinafter mentioned Bond Resolution with respect to redemption prior to maturity may become applicable hereto. Interest on this Bond shall accrue from the interest payment date next preceding the date on which it is authenticated, unless (a) it is authenticated before the first interest payment date following the Original Issue Date identified above, in which case interest shall accrue from the Original Issue Date, or (b) if this Bond is authenticated on an interest payment date, in which case interest shall accrue from such interest payment date; provided that if at the time of authentication of this Bond, interest is in default, interest shall accrue from the date to which interest has been paid. This Bond shall bear interest on overdue principal at the Interest Rate. Principal of and premium, if any, on this Bond shall be payable upon surrender of this Bond at the principal office of U.S. Bank National Association, Salt Lake City, Utah, as Paying Agent; and payment of the annual interest hereon shall be made to the Registered Owner hereof and shall be paid by check or draft mailed to the person who is the Registered Owner of record as of the Bond Registrar's close of business on the fifteenth day immediately preceding each interest payment date at the address of such Registered Owner as it appears on the registration books kept by the hereinafter defined Bond Registrar, or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar as provided in the hereinafter defined Bond Resolution. Principal and interest on this Bond shall be payable 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.

This Bond is one of the Special Assessment Bonds of the Issuer (the "Bonds") limited to the aggregate principal amount of \$12,105,000 issued under and by virtue of the Utah Municipal Improvement District Act, Title 17A, Chapter 3, Part 3, Utah Code Annotated 1953, as amended (the "Act"), and under and pursuant to a resolution of the Issuer adopted on May 4, 1999 (the "Bond Resolution"), for the purpose of financing certain infrastructure improvements (the "Improvements"), (b) funding a debt service reserve account and a capitalized interest reserve account, and (c) paying issuance expenses incurred in connection with the issuance of the Bonds.

The Bonds are issuable solely in the form of registered Bonds without coupons in the denomination of \$100,000 and integral multiples of \$1,000 in excess of \$100,000.

The Bonds are subject to optional redemption in whole or in part on any Business Day on and after December 15, 2008 by lot, at the option and direction of the Issuer, on the dates and at the redemption prices (expressed as percentages of principal amount to be redeemed) set forth in the following table, plus accrued interest to the redemption date:

Redemption Date (<u>Dates Inclusive</u>)	Redemption <u>Price</u>
December 15, 2008 - December 14, 2009	103%
December 15, 2009 - December 14, 2010	102%
December 15, 2010 - December 14, 2011	101%
December 15, 2011 and thereafter	100%

The Bonds are subject to mandatory sinking fund redemption at a redemption price equal to one hundred percent (100%) of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

Redemption Date (<u>December 15</u>)	Principal <u>Amount</u>
December 15, 2002	\$800,000
December 15, 2003	850,000
December 15, 2004	900,000
December 15, 2005	955,000
December 15, 2006	1,015,000
December 15, 2007	1,080,000
December 15, 2008	1,150,000
December 15, 2009	1,220,000
December 15, 2010	1,295,000
December 15, 2011	1,375,000
December 15, 2012	1,465,000

Upon redemption of any Bonds (other than by application of mandatory sinking fund redemption amounts), an amount equal to the principal amount so redeemed shall be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Bonds at the option and discretion of the Issuer.

If fewer than all of the Bonds are to be redeemed, the particular Bonds or portion thereof to be redeemed shall be selected prior to the redemption date by the Bond Registrar, by lot by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Bonds of a denomination \$100,000 or any integral multiple of \$1,000 in excess thereof, provided that all Bonds must continue to be in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof.

Notice of redemption shall be given by the Bond Registrar by registered or certified mail, not less than thirty nor more than forty-five days prior to the redemption date, to the Holder, as of the Record Date, of each Bond which is subject to redemption, at the address of such Holder as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Holder on or prior to the Record Date. Each notice of redemption shall state the Record Date, the redemption date, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal of, interest accrued thereon to the redemption date, and premium, if any. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Bondholder receives such notice. Failure to give such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

In the event any of the Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds to be redeemed will be given by the Paying Agent by mailing a copy of the redemption notice by registered or certified mail not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure has occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. All Bonds so called to redemption will cease to bear interest after the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time.

If notice of redemption shall have been given as aforesaid, the 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 Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable.

Less than all of a Bond in a denomination in excess of \$100,000 may be so redeemed, and in such case, upon the surrender of such Bond, there shall be issued to the Registered Owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, registered Bonds of any of the authorized denominations, all as more fully set forth in the Bond Resolution.

U.S. Bank National Association is the initial trustee, bond registrar and paying agent with respect to the Bonds. Said trustee, bond registrar and paying agent, together with any successor trustee, bond registrar or paying agent, respectively, is referred to herein as the "Trustee", the "Bond Registrar" and the "Paying Agent."

Payment of this Bond and the interest thereon shall be made from, and as security for such payment there is pledged the Bond Fund of Eagle Mountain, Utah Special Improvement District No. 98-1 (the "District"), containing the receipts derived by the Issuer from the special assessments levied upon the property included in the District by the Assessment Ordinance adopted by the Issuer, which ordinance became effective on _____, for the purpose of paying the costs of constructing the Improvements under, by virtue of, and in full conformity with the Constitution and laws of the State of Utah and certain ordinances and resolutions of the Issuer duly passed and made law thereof prior to the issuance hereof.

It is hereby certified that a Debt Service Reserve Account has been created by ordinance as authorized by the Act and the Issuer agrees that at all times during the life of this Bond and until payment thereof in full, said Account shall be at all times maintained as therein required. This Bond is not a general obligation of the Issuer but is payable exclusively out of the Bond Fund, the Debt Service Reserve Account and a Stabilization Reserve Fund created under the Bond Resolution. The Issuer shall not be held liable for the payment of this Bond, except to the extent of the funds created and received from said special assessments and to the extent of its Debt Service Reserve Account and Stabilization Reserve Fund; but the Issuer shall be held responsible for the lawful levy of all special assessments, for the creation and maintenance of the Bond Fund, the Debt Service Reserve Account and the Stabilization Reserve Fund as provided by law, and for faithful accounting, collection, settlement, and payment of the assessments.

The special assessments made and levied to defray the cost of Improvements, with accruing interest thereon, and the cost of collection of the assessments constitute a lien upon and against the property upon which such assessments were made and levied from and after _____ the date upon which the ordinance levying such assessments became effective, which lien is superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance. Said lien is equal to and on a parity with the lien for general property taxes and shall continue until the assessments and interest thereon are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax, other assessment, or the issuance of a tax deed, an assignment of interest by the county, or a sheriff's certificate of sale or deed.

This Bond is transferable, as provided in the Bond Resolution, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or such duly authorized

attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Bond Resolution and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever, and neither the Issuer, nor the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Bond Resolution.

This Bond and the issue of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah and by the Act and the Bond Resolution to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that the aggregate amount of special assessment bonds of the Issuer for the District, including this Bond, does not exceed the amount authorized by law nor the special assessment levied to cover the cost of the Improvements in the District, and that all said special assessments have been lawfully levied.

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

IN WITNESS WHEREOF, THE TOWN OF EAGLE MOUNTAIN, UTAH COUNTY, UTAH, has caused this Bond to be signed in its name and on its behalf by its Mayor and attested by its Town Clerk (the signatures of said Mayor and Town Clerk being by facsimile signature), and has caused the facsimile of its corporate seal to be printed hereon, and said officials by the execution hereof to adopt as and for their own proper signatures their facsimile signatures appearing on each of the Bonds.

(Do Not Sign)

Mayor

ATTEST:

(Do Not Sign)

Town Clerk

[S E A L]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the Town of Eagle Mountain, Utah Special Assessment Bonds, Series 1999 (Special Improvement District No. 98-1).

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By _____
Authorized Officer

Date of authentication: _____

* * * * *

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

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common
- UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act

(State)

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

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and hereby irrevocably constitutes and appoints

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: _____

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.

SIGNATURE GUARANTEED:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Ratification. All proceedings, resolutions and actions of the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

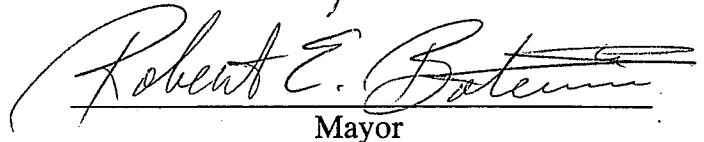
Section 12.2. Severability. It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining provisions of this Bond Resolution.

Section 12.3. Conflict. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

Section 12.4. Captions. The table of contents or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

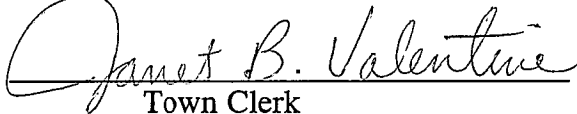
Section 12.5. Effective Date. This Bond Resolution shall take effect immediately.

ADOPTED AND APPROVED this 5TH day of May, 1999.



Mayor

ATTEST:



Town Clerk



After due consideration of said resolution by the Council, Diane D. Bradshaw moved to adopt the resolution. The motion was seconded by Daniel A. Valentine and the same was put to a vote and was unanimously carried by the affirmative vote of all members present, the vote being as follows:

AYE:

Mayor Robert E. Bateman
Councilmember Diane D. Bradshaw
Councilmember Daniel A. Valentine

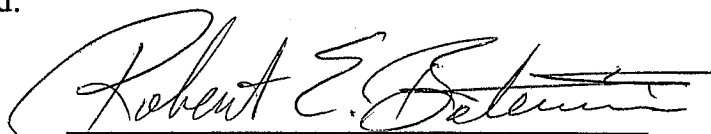
ABSTAINED: Councilmember D. Cyril Watt

NAY:

NONE

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

The meeting was then adjourned.



Mayor

ATTEST:


Town Clerk

STATE OF UTAH

)

: ss.

COUNTY OF UTAH

)

I, Janet B. Valentine, the duly qualified and acting Town Clerk of Eagle Mountain, Utah County, Utah, do hereby certify according to the records of said Town in my official possession that the foregoing constitutes a true and correct copy of the minutes of the meeting of the Town Council held on May 4, 1999, including a resolution adopted at said meeting as said minutes and resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of said Town this 5TH day of May, 1999.

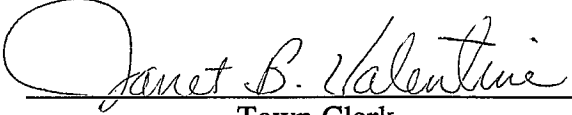

Town Clerk



EXHIBIT "A"

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Janet B. Valentine, the undersigned Town Clerk of Eagle Mountain, Utah County, Utah (the "Town"), do hereby certify, according to the records of the Town in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-6(2), Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the May 4, 1999, public meeting held by the Town as follows:

(a) By causing a Notice, in the form attached hereto as Schedule "1", to be posted at the Town's principal offices on APRIL 30, 1999, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule "1", to be delivered to the New Utah on APRIL 30, 1999, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 5TH day of May, 1999.

Janet B. Valentine
Town Clerk



SCHEDULE "1"

[NOTICE OF MEETING]

AGENDA
EAGLE MOUNTAIN TOWN COUNCIL MEETING
Tuesday, May 4, 1999 at 7:00 p.m.
Eagle Mountain Community Center, 1668 East Heritage Drive
Eagle Mountain, Utah 84043

Page 1 of 2
May 4, 1999

WORK SESSION – No Action or Minutes Taken – 4:30 to 6:30 p.m. – 2218 E. Valley Drive, Eagle Mtn.

1. Warrant Register/Jeri Wilson
2. Class II Preliminary Plat Approvals/Ken Leetham
 - A. Ruby Valley & Ash Point (R-5 N-1 through 4)
 - B. Jacob's Well (R-6 N-3)
 - C. Town Center South & Business Park
 - D. Jake Garn Airport, Phase I Subdivision
 - E. Cedar Trail Villages
3. Class II Final Plat Approval/Ken Leetham
 - A. Liberty Farm (R-6 N-2)
 - B. Eagle Point, Plat D – Revised
 - C. Sage Valley, Plat B
4. Eagle Mountain Wastewater Treatment System Alternative
5. Eagle Mountain Fire Station Claims
6. Proposal to Revise the Eagle Mountain Development Code

INTERMISSION – Change of Venue

POLICY SESSION – 7:00 TO 10:30 p.m. Eagle Mountain Community Center

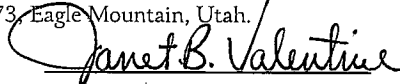
1. Roll Call
2. Pledge of Allegiance
3. Approval of Agenda
4. Approval of Minutes (March 30, 1999 & April 20, 1999)
5. General Discussion/Questions/Announcements
6. Appointments:
7. Public Comment
8. Report to Town Council regarding the Eagle Mountain Arts Council/Jennifer Morgan
9. Patterson's request for a waiver of the minimum porch size requirements for certain homes in their project/Wayne Patterson
10. Motion to approve Consent Agenda items as follows
 - A. Warrant Register
 - B. Consideration to Approve Eagle Mountain Fire Station Claims
11. Consideration of a Resolution revising the Notice of Intention adopted on June 30, 1998 in connection with the creation of Eagle Mountain, Utah Special Improvement District No. 98-1 in order to make certain changes with respect to (i) the improvements to be constructed, (ii) the properties proposed to be assessed, (iii) the method of assessing properties, and (iv) the period of time over which assessments may be levied; and related matters.

THE PUBLIC IS INVITED TO ATTEND ALL OPEN TOWN COUNCIL MEETINGS

In Compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting, notify Janet Valentine, Clerk/Recorder at the Eagle Mountain Town Offices at least 3 days in advance.

CERTIFICATE OF POSTING

The undersigned, duly appointed Town Clerk, does hereby certify that the above notice and agenda was posted in three public places within Eagle Mountain Town Limits on this 30TH day of APRIL 1999. These public places being 1) the Town Offices, 1680 E. Heritage Dr., Eagle Mountain, Utah; 2) Cedar Pass Ranch Bulletin Board, 9155 No. Cedar Pass Road, Eagle Mountain; and 3) the Bulletin Board located at Meadow Ranch Subdivision, Hwy 73, Eagle Mountain, Utah.

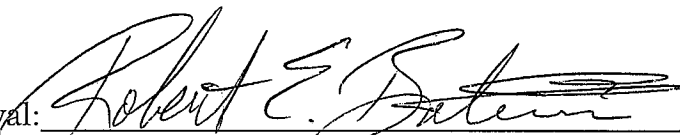


Janet B. Valentine
Town Clerk

AGENDA
EAGLE MOUNTAIN TOWN COUNCIL MEETING
Tuesday, May 4, 1999 at 7:00 p.m.
Eagle Mountain Community Center, 1668 East Heritage Drive
Eagle Mountain, Utah 84043

Page 2 of 2
May 4, 1999

12. Consideration of an Ordinance confirming the assessment rolls and levying an assessment against properties in Special Improvement District 98-1 for the purpose of paying costs of constructing, acquiring and installing improvements as set forth in the Notice of Intention and Revised Notice of Intention; and related matters.
13. Consideration of a Bond Resolution authorizing the issuance and sale of Special Assessment Bonds with regard to Special Improvement District No. 98-1; fixing the maximum interest rates to be borne thereby; and related matters.
14. Consideration to approve a Eagle Mountain Wastewater Treatment System Concept Level Facilities Plan
15. Class II Preliminary Plat Approvals:
 - A. Ruby Valley & Ash Point (R-5 N-1 through 4)
 - B. Jacob's Well (R-6 N-3)
 - C. Town Center South & Business Park
 - D. Jake Garn Airport Phase I Subdivision
 - E. Cedar Trail Villages
16. Class II Final Plat Approvals:
 - A. Liberty Farm (R-6 N-2)
 - B. Eagle Point, Plat D - Revised
 - C. Sage Valley, Plat B
17. Consideration to Give Authorization to Revise the Eagle Mountain Development Code
18. Motion to adjourn into a Closed Executive Session for the purpose of discussing personnel issues
19. Any action from the Closed Executive Session.
20. Adjournment

Approval: 
Mayor Robert E. Bateman

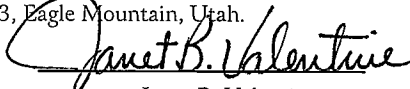
Date: 4 May 99

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Janet B. Valentine
Town Clerk

EXHIBIT "B"

[BOND PURCHASE AGREEMENT]

(See Transcript Document No. _____)

EXHIBIT "C"

[OFFICIAL STATEMENT]

(See Transcript Document No. _____)

EXHIBIT "D"

(FORM OF REQUISITION)