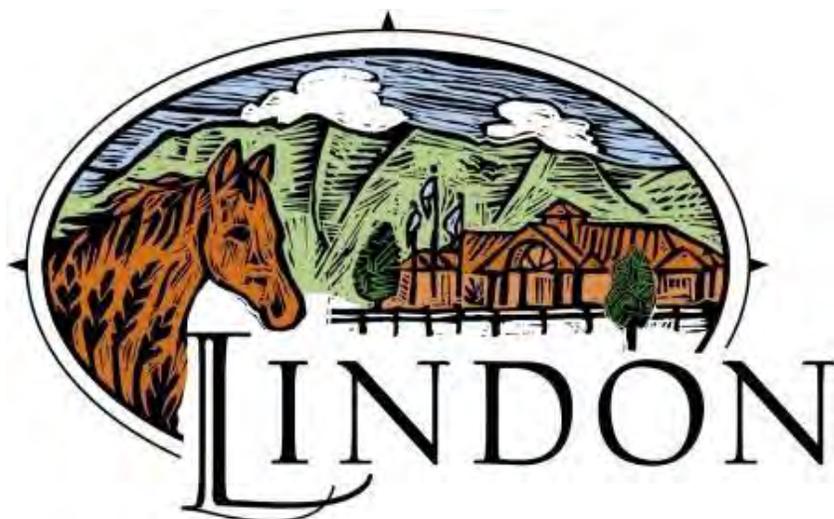


Lindon City Council Staff Report



Prepared by Lindon City
Administration

June 6, 2017

Notice of Meeting of the Lindon City Council

The Lindon City Council will hold a regularly scheduled meeting beginning at 6:00 p.m. on Tuesday, June 6, 2017 in the Lindon City Center council chambers, 100 North State Street, Lindon, Utah. The agenda will consist of the following:

Scan or click here for link to download agenda & staff report materials:



WORK SESSION – 6:00 P.M. - Conducting: Jeff Acerson, Mayor

1. Presentation: Pleasant Grove-Lindon Chamber of Commerce (20 minutes)

Josh Walker, President of the PG-Lindon Chamber, will present an overview of past activities and membership growth in the Chamber. Lindon has been a partner in the Chamber since October 2016. No motions will be made.

2. Discussion Item: Lindon Days Grand Marshal (10 minutes)

The Council will discuss possible Grand Marshals to be recognized during the 2017 Lindon Days.

3. Presentation: Pleasant Grove Strawberry Days (5 minutes)

The Miss PG Royalty & Rodeo Royalty will present information on upcoming Strawberry Days events.

4. Council Reports: (20 minutes)

- A) MAG, COG, UIA, Utah Lake Commission, ULCT, NUVAS, IHC Outreach, Budget Committee
- B) Public Works, Irrigation/water, City Buildings
- C) Planning, BD of Adjustments, General Plan, Budget Committee
- D) Parks & Recreation, Trails, Tree Board, Cemetery
- E) Public Safety, Court, Lindon Days, Transfer Station/Solid Waste
- F) Admin., Community Center, Historic Comm., PG/Lindon Chamber, Budget Committee

- Jeff Acerson
- Van Broderick
- Matt Bean
- Carolyn Lundberg
- Dustin Sweeten
- Jacob Hoyt

5. Administrator's Report (5 minutes)

REGULAR SESSION – 7:00 P.M. - Conducting: Jeff Acerson, Mayor

Pledge of Allegiance: By Invitation

Invocation: Matt Bean

(Review times are estimates only)

1. Call to Order / Roll Call (2 minutes)

2. Presentations and Announcements (5 minutes)

- a) Comments / Announcements from Mayor and Council members

3. Approval of minutes: May 16, 2017 (5 minutes)

4. Consent Agenda – No Items

5. Open Session for Public Comment (For items not on the agenda) (10 minutes)

6. Review & Action — Sewer Revenue Bond Parameters Resolution #2017-16-R (20 minutes)

Consideration of a resolution authorizing the issuance and sale of not more than \$1,600,000 aggregate principal amount of sewer revenue bonds; fixing the maximum aggregate principal amount of the bonds, the maximum number of years over which the bonds may mature, the maximum interest rate which the bonds may bear, and the maximum discount from par at which the bonds may be sold; providing for the publication of a notice of public hearing and bonds to be issued; providing for the running of a contest period and setting a public hearing date; authorizing the execution by the City of a general indenture, supplemental indenture (or a master resolution in similar form), bond purchase agreement, and other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by the resolution; and related matters.

7. Concept Review — Valley Properties LLC, ~2400 West 400 North (30 minutes)

The City Council will review and consider a request by Mark Ringger for review of a possible zone change from General Commercial (CG-A8) to Mixed Commercial on 32 acres identified by Utah County Parcel ID #14:059:0048 to accommodate a 300,000 square foot doTerra distribution warehouse.

8. Continued Public Hearing — Disposal of Surplus Real Property; Resolution #2017-15-R (90 minutes)

This item was continued from the May 23, 2017 City Council meeting. The City Council will review and consider the sale and disposal of 14.51 acres of surplus real property located at approximately 2100 West 600 South, Lindon (Utah County Parcel ID #17:023:0012). The property has been listed for sale since the fall of

2015. It's anticipated that the City will retain approximately 2.06 acres for a future public park and to maintain the existing Lake Shore Trail along the west side of the property.

9. Continued Public Hearing — General Plan Amendment, ~2100 West 600 South (20 minutes)

This item was continued from the May 23, 2017 City Council meeting. Lindon City Corp. requests a General Plan Land Use Map Amendment from Public Facilities to Light Industrial, on 14.5 acres identified by Utah County Parcel ID #17:023:0012. (Ordinance #2017-5-O).

10. Continued Public Hearing — Zone Map Amendment, ~2100 West 600 South (15 minutes)

This item was continued from the May 23, 2017 City Council meeting. Lindon City Corp. requests a Zone Map Amendment from Public Facilities to Light Industrial, on 14.5 acres identified by Utah County Parcel ID #17:023:0012. (Ordinance #2017-6-O).

11. Review & Action — Leasing Listing Agreement for City Center Basement Offices (10 minutes)

The City Council will review and consider an Exclusive Leasing Listing Agreement with Coldwell Banker Commercial Advisors for marketing and handling of lease agreement transactions for approximately 2,400 sq/ft of basement office space at 100 N. State Street. The office area was vacated by the Police Department when the Public Safety Building was completed. Leasing the office space will help offset other city expenses and utilize the space that is not anticipated to be used in the next several years.

12. Public Hearing — Ordinance Update; LCC 2.44 'Elections'. Ordinance #2017-7-O (10 minutes)

The City Council will review and consider city initiated updates to Lindon City Code Chapter 2.44 'Elections' to bring the current code into conformance with recent changes in election laws of the State of Utah.

Adjourn

All or a portion of this meeting may be held electronically to allow a council member to participate by video conference or teleconference. Staff Reports and application materials for the agenda items above are available for review at the Lindon City Offices, located at 100 N. State Street, Lindon, UT. For specific questions on agenda items our staff may be contacted directly at (801)785-5043. City Codes and ordinances are available on the City web site found at www.lindoncity.org. The City of Lindon, in compliance with the Americans with Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for city-sponsored public meetings, services programs or events should call Kathy Moosman at 801-785-5043, giving at least 24 hours notice.

Amended Agenda - CERTIFICATE OF POSTING:

I certify that the above notice and agenda was posted in three public places within the Lindon City limits and on the State (<http://pmn.utah.gov>) and City (www.lindoncity.org) websites.

Posted by: /s/ Kathryn A. Moosman, City Recorder

Date: June 2, 2017

Time: 11:30 a.m.

Place: Lindon City Center, Lindon Police Dept., Lindon Community Center

WORK SESSION – 6:00 P.M. - Conducting: Jeff Acerson, Mayor

I. Presentation: Pleasant Grove-Lindon Chamber of Commerce *(20 minutes)*

Josh Walker, President of the PG-Lindon Chamber, will present an overview of past activities and membership growth in the Chamber. Lindon has been a partner in the Chamber since October 2016. No motions will be made.

The City Council's discussions about joining the PG Chamber began in July and August of 2016. Formal Council discussions with the PG Chamber and Utah Valley Chamber occurred on Sept 6, 2016 and again with PG Chamber members on Sept 20, 2016. At the September 20th meeting the Council approved a \$10,000 contribution to the Chamber which was paid in October 2016. The intent of the City Council was to become a partner in the PG Chamber with the Chamber being renamed the Pleasant Grove-Lindon Chamber of Commerce and more emphasis being placed on working with and growing Lindon businesses. The Council has budgeted to continue with its membership and contribution of \$10k for FY2018.

Mr. Walker will give a brief overview of membership growth and Chamber activities since Lindon City joined the Chamber in October 2016.

2. Discussion Item: Lindon Days Grand Marshal

(10 minutes)

The Council will discuss possible Grand Marshals to be recognized during the 2017 Lindon Days.

Heath Bateman asked that the Council discuss and hopefully select a new Grand Marshal for the 2017 Lindon Days celebrations. There's no set criteria for selecting a Grand Marshal. It has been single individuals, couples, or multiple individuals in the past. Typically, the Council has discussed and selected a Grand Marshal with the Mayor then approaching the individual(s) about the recognition.

Below is a list of former Grand Marshals:

Year	Lindon Grand Marshals
1989	Mr. & Mrs. Dean McAdams
1991	Leon & Zeona Walker
1992	Blaine & Ilene Batty
1993	Ray & Marjorie Walker
1994	Kenneth & Madge Gillman
1995	Louie Gillman and Thelma Gillman
1996	Kenneth McMillan
1997	Richard & June Cullimore
1998	Noal & Claudine Greenwood
1999	Reed & Mable Walker
2000	Darrell & Beth Frampton
2001	Robert J & Shirley N. Matthews
2002	Garth & Eva E Gillman
2003	Charles & Ila Rodeback
2004	Master Sergeant Richard J Ovard
	James Anthony Montoya
	Captain Brent Thacker
	SSG Mary E Griffith HHC
	SSG Douglas V Olsen
	Brandon Kent Dupuis
2005	Larry & Linda Ellertson
2006	James & Pamela Dain
2007	Harold & Elvie Erickson
2008	John Fugal
2009	Mark & Gainell Rogers
2010	Toby & Sandy Bath
2011	Gordon Taylor
2012	Ted & Erlene Lott
2013	Boyd & Barbara Walker
2014	David & Marilyn Thurgood
2015	Jon & Lindsey Bayless
2016	Don & Marcia Peterson
2017	???

3. Presentation: Pleasant Grove Strawberry Days*(5 minutes)*

The Miss PG Royalty & Rodeo Royalty will present information on upcoming Strawberry Days events.

The Pleasant Grove Strawberry Days events are June 10th through June 18th. Detailed list of events can be found here: <http://www.strawberrydays.org/>

4. Council Reports:

- A) MAG, COG, UIA, Utah Lake Commission, ULCT, NUVAS, IHC Outreach, Budget Committee
- B) Public Works, Irrigation/water, City Buildings
- C) Planning, BD of Adjustments, General Plan, Budget Committee
- D) Parks & Recreation, Trails, Tree Board, Cemetery
- E) Public Safety, Court, Lindon Days, Transfer Station/Solid Waste
- F) Admin., Community Center, Historic Comm., PG/Lindon Chamber, Budget Committee

(20 minutes)

- Jeff Acerson
- Van Broderick
- Matt Bean
- Carolyn Lundberg
- Dustin Sweeten
- Jacob Hoyt

5. Administrator's Report

(5 minutes)

Misc Updates:

- May newsletter: <https://siterepository.s3.amazonaws.com/442/may17final2.pdf>
- July newsletter article: **Van Broderick** - Article due to Kathy last week in June.
- Water billing errors discovered on about 85 water services with larger meter sizes (1.5" to 8" meters).
- Utah County Fair, August 16th-19th – Decorated Bull cut-outs
- Misc. Items:

Upcoming Meetings & Events:

- July 4th – No Council meeting
- August 7th-12th – Lindon Days
- August 15th – Primary Election (No Council meeting)
- November 7th – General Election

REGULAR SESSION – 7:00 P.M. - Conducting: Jeff Acerson, Mayor

Pledge of Allegiance: By Invitation

Invocation: Matt Bean

Item 1 – Call to Order / Roll Call

June 6, 2017 Lindon City Council meeting.

Jeff Acerson

Matt Bean

Van Broderick

Jake Hoyt

Carolyn Lundberg

Dustin Sweeten

Staff present: _____

Item 2 – Presentations and Announcements

- a) Comments / Announcements from Mayor and Council members.

Item 3 – Approval of Minutes

- Review and approval of City Council minutes: **May 16, 2017**

2 The Lindon City Council held a regularly scheduled meeting on **Tuesday, May 16, 2017,**
4 **beginning with a work session at 6:00 p.m.** in the Lindon City Center, City Council
Chambers, 100 North State Street, Lindon, Utah.

6 **WORK SESSION** – 6:00 P.M.

8 Conducting: Jeff Acerson, Mayor

10 **COUNCILMEMBERS PRESENT** **ABSENT**

- 10 Jeff Acerson, Mayor
- 12 Matt Bean, Councilmember
- 12 Carolyn Lundberg, Councilmember - arrived 6:30
- 14 Van Broderick, Councilmember
- 14 Jacob Hoyt, Councilmember
- 16 Dustin Sweeten, Councilmember

18 **STAFF PRESENT**

- 18 Adam Cowie, City Administrator
- 20 Kristen Colson, Finance Director
- 20 Hugh Van Wagenen, Planning Director
- 22 Kathryn Moosman, City Recorder

24 **DISCUSSION:** **Discussion on FY 2018 Proposed Budget:** Lindon City Council will
26 review and discuss the proposed Fiscal Year 2018 budget. The Council will provide
direction on specific items.

28 Adam Cowie, City Administrator, led this discussion by explaining this work
30 session will review other budget issues prior to adoption of the Proposed Budget in the
regular session. Kristen will review the Little Miss Lindon float funding, and other
32 contributions and program funding that have been funded in prior years and continued in
this budget proposal. He noted a straw poll on some budget issues may be taken to ensure
34 the final budget is prepared consistent with the direction of the full Council. He added
while general direction may be given, no motion will be necessary and staff will update
36 the final budget as directed by the Council’s recommendations and will vote on the final
budget on June 20, 2017.

38 Kristen Colson, Lindon City Finance Director, then gave her budget presentation
including the 2016-2017 budget work session agenda items and the updated Fund
40 Balance sheet and the 2017-2018 Major Budget Issues as follows:

42 **Budget Issue #1**
Should Lindon City provide employees with a 1.5% Cost Of Living Allowance
(COLA) increase and provide for a merit step or 3.0% increase in January?

44 Ms. Colson explained the Consumer Price Index (CPI) had an average annual
46 increase of 1.5% from March 2016 to February 2017 according to US Department of
Labor. Performance evaluations are performed annually in January at which time merit

2 increases would be available to those who meet a predetermined criteria. Historically,
4 COLA and merit increases have provided somewhat consistent buying power for the
6 employees and have kept salaries competitive and employee morale high. She stated the
8 Fiscal impact for both is \$124,000 (broken out by fund). She explained the merit increase
10 is budgeted based on the unreserved General Fund balance as a percentage of revenue. A
12 3.0% Merit Increase is budgeted for 2016FY, effective Jan. 1, 2017. The Merit Increase
14 is awarded based on employee evaluation scores. She noted that both the COLA and
16 Merit increases are reflected in the Proposed Budget. Ms. Colson asked if there were any
18 questions or concerns at this time. She noted that a straw poll on this issue will be taken
20 during the regular session.

12 **Budget Issue #2**

14 **Should Lindon City hire a full-time Public Works Engineer and a full-time Facilities
16 Manager?**

18 Ms. Colson explained the following full time Public Works Engineer and
20 Facilities Manager positions for consideration:

20 **Public Works Engineer:**

- 22 • Engineering costs increasing as Lindon City grows
- 24 • JUB has 10 engineers that provide service to Lindon City, with 3 of them almost
26 exclusively working on Lindon projects
- 28 • PW Engineer could reduce workload at JUB by one engineer, approximately
30 \$188,000 per year
- 32 • The cost of PW Engineer would be \$136,000 so an annual savings of about
34 \$52,000
- 36 • Duties would include site plan reviews, attend DRC Meetings, attend
38 governmental coordination meetings (i.e., UDOT, other cities), helping with
40 various city projects, coordinate with JUB, assist other Lindon staff

32 **Facilities Manager:**

- 34 • Lindon City growing with most recent addition of Public Safety Building
- 36 • Lindon owns 113,000 ft² of roofed facilities (buildings, pavilions, restrooms, well
38 houses, pump houses, etc.)
- 40 • Different departments managing these facilities resulting in inconsistent
42 maintenance and extra hours
- 44 • Duties would include facilities maintenance, assist with department projects,
46 oversee upcoming City Center elevator remodel, maintain Aquatics Center in
winter months, supervise all janitorial services, manage City fleet registration and
maintenance scheduling

44 Ms. Colson then explained the Fiscal Impact stating the salary and benefits for
46 these positions is listed below without COLA and Merit increases. COLA and Merit
increase costs for these positions are included with Budget Issue #1.

	<u>PW Engineer</u>	<u>Facilities Mgr</u>
Salary	\$90,001.60	\$43,659.20

2	Benefits	<u>\$46,077.60</u>	<u>\$32,304.63</u>
	Total	\$136,079.20	\$75,963.83

4

6 She noted that both positions would be paid from the General Fund. The Public
 6 Works Engineer would have equal cost share contributions from the Water, Sewer and
 8 Storm Water Funds totaling \$102,059.40. She then referenced the total impact by fund as
 8 follows:

10	General Fund	\$109,983.63
	Water Fund	\$34,019.80
	Sewer Fund	\$34,019.80
12	Storm Water Fund	\$34,019.80

14 Ms. Colson noted these positions are reflected in the Proposed Budget. Ms.
 16 Colson asked if there were any questions or concerns at this time. She noted that a straw
 16 poll on this issue will be taken during the regular session.

18 **Budget Issue #3:**
 20 **Should Lindon City increase Water, Sewer and Storm Water utility rates?**

22 Ms. Colson explained utility rates should not only cover current operational
 24 expenses, but also allow reserves to be established over time in order to fund repairing
 26 and/or replacing aging system components. Current utility rates do not meet this
 28 objective. In addition, recent legislation mandates that culinary water rates be structured
 30 in a tier format to encourage conservation. The City Engineer conducted an infrastructure
 32 assessment and maintenance evaluation as well as a utility rate study to determine and
 32 recommend utility rate increases for water, sewer, and storm water utilities. The
 32 recommendation was to implement an annual increase over five years of 9% for water
 32 rates, 4% for sewer rates, and 13% for storm water rates. The annual rate increases began
 32 July 1, 2014. She noted these rate increases **do not** currently include culinary water
 32 pumping costs to upper zones, nor the tiered rate structure changes. JUB Engineers is
 32 currently evaluating these fees.

34 Ms. Colson stated they are recommending approving the increases in water, sewer
 36 and storm water utility rates. These changes are reflected in the Proposed Budget and
 36 revised Fee Schedule. Ms. Colson asked if there were any questions or concerns at this
 36 time. She noted a straw poll on this issue will be taken during the regular session.

38 Ms. Colson then referenced the Differential Fiscal Impact as follows:

Water Fund	\$122,780
Sewer Fund	\$ 60,890
Storm Water Fund	\$ 81,505

Ms. Colson then went over the Fee Schedule Changes including rental rates and pool
 passes at the Aquatics Center, a candidate filing fee and secondary water meter rates
 and utility rates.

Ms. Colson also reviewed other noteworthy budget issues prior to adoption of the
 Proposed Budget in the regular session including the Little Miss Lindon float funding,

and other contributions and program funding that have been funded in prior years (PG/Lindon Chamber of Commerce (\$10,000), teacher grants (\$1,000), Miss Pleasant Grove (\$2,000) and library card reimbursement (\$16,000), and continued in this budget proposal followed by discussion.

2 **Little Miss Lindon**

- 4 • Parents of LML Royalty requested additional funding for float at the May 2nd City Council meeting and were told their budget would increase from \$750 to \$1,250 until the May 16th meeting.
- 6 • Prior to 2015, LML annual budget was \$10,000, \$5,000 for the program and \$5,000 for the float.
- 8 • During 2014-2015 FY, float budget changed from \$5,000 to \$10,000 for one year with next two years at \$750 each
- 10 • This plan has not worked as desired and they wish to go back to \$10,000 budget per year, but change to \$6,000 for program and \$4,000 for float (maintain average of \$10k/yr)

12 **Possible Uses of Proceeds from Sale of Property**

- 14 • There is currently an offer on surplus Geneva Resort property for about \$2.5 million.
- 16 • This one time revenue could be used to pay down debt, fund capital improvement projects, purchase capital equipment, or any combination of these options.
- 18 • Proceeds must be expended or transferred to another fund (i.e., debt service or capital improvements).

20 **Paying Down Debt**

- 22 • Most of City's debt is repaid by user fees and impact fees in the enterprise funds
- 22 • There are 2 bonds, secured by sales tax revenue, which could be prepaid
 - 24 – Sales Tax Revenue Bond, Series 2005
 - 24 • Proceeds were used for 700 N road and utilities
 - 26 – 79.67% for roads, being repaid with impact fees and Class C road fund allotment
 - 26 – 5.47% for water, being repaid with impact fees
 - 28 – 14.86% for storm water, being repaid with impact fees
 - 30 • Early payoff penalty (was estimated at \$198,688.92 for Dec. 1, 2016)
 - 30 • We no longer own nor maintain 700 N
 - 32 – Sales Tax Revenue Bond, Series 2016
 - 32 • Proceeds were used to construct Public Safety Building
 - 34 • Interest rate is tiered
 - 34 • Interest rates on principal

36 **General Fund**

- 38 • \$100,000 for City Center elevator remodel
- 38 • \$82,000 for 2 police vehicles
- 40 • \$39,665 for truck for Parks Department as well as Salter & broom for Kubota
- 40 • \$20,000 for car for Planning Department

42 **Road Fund**

- 42 • \$500,000 for major maintenance and/or reconstruction

PARC Tax

- \$100,000 to fix or replace Meadow Park playground

Water Fund

- \$39,000 for truck
- \$652,000 for special projects including \$250k for preliminary work on new well, \$100k for water portion of off-site improvements for SL# 7 and \$202k for projects postponed from 2017FY

Sewer Fund

- \$1.4 Million for sewer lift station #7

Storm Water Fund

- \$35,000 for storm water portion of off-site improvements for SL# 7

Ms. Colson then presented for discussion the changes of note since the last budget review as follows:

- **Storm Water Fund Balance:** On the fund balance sheet is a positive change in the Storm Water fund balance (compared to the last presentation) due to a discovered calculation error. The ending Storm Water fund balance is no longer projected to be in deficit.
- **Paying Down Debt:** Estimated \$2.5 million in revenue from surplus property sale has been entered into the budget to reflect paying off the 700 North road bond and paying down the last 5-years of the bond for the Public Safety Building. If paying down existing debt is still the most important priority of the Council, then these options were identified to provide the most cost-savings for the City. Enterprise funds also reflect payment of proportional shares of the bond (based on utility improvements within the roadway). As Storm Water fund was insufficient without being in a deficit, the bond document reflects an inter-fund loan from the Water fund to the Storm Water fund. This loan must be approved by the Council in the final budget and will be paid back over several years. We'll discuss these proposals further in the meeting.
 - A memo from November 2016 outlining this process is attached at the end of the budget documents. This method above will save an estimated \$350,000 in future interest & fees.
- **Road Funding:** As this proposal reflects the 700 N. road bond being fully paid, the Class C road funds (gas tax, etc.) are therefore accessible for other road improvement projects. This will free up approximately \$220k per year for future road funding. The Capital Road Projects for FY2018 has accordingly been increased to \$500k with the road fund balance increasing to approximately \$225k. The road CIP fund balance can shift to increase near-term maintenance as needed, or saved for larger future road projects, or emergency repairs.

Ms. Colson also presented for discussion a document from LYRB (financial consultants) outlining three options for the upcoming sewer bond. She noted they feel the 15-yr term is the best option for the City to pursue. Mr. Cowie noted a straw poll on the budget issues will be taken during the regular session to ensure the final budget is prepared and is consistent with the direction of the full Council. He noted staff will update the final budget as directed by the Council's recommendations and will vote on the final budget at the June 20, 2017 meeting.

2 Mayor Acerson adjourned the work session at 7:15 pm.

4 *Mayor Acerson called for a ten minute break at this time.*

6 **REGULAR SESSION** –7:25 P.M.

8 Conducting: Jeff Acerson, Mayor

Pledge of Allegiance: Traci Stone

10 Invocation: Carolyn Lundberg, Councilmember

12 **PRESENT**

EXCUSED

Jeff Acerson, Mayor

14 Matt Bean, Councilmember

Carolyn Lundberg, Councilmember

16 Van Broderick, Councilmember

Jacob Hoyt, Councilmember

18 Dustin Sweeten, Councilmember

Adam Cowie, City Administrator

20 Hugh Van Wagenen, Planning Director

Kristen Colson, Finance Director

22 Kathryn Moosman, City Recorder

24 1. **Call to Order/Roll Call**– The meeting was called to order at 7:00 p.m.

26 2. **Presentations/Announcements** –

a) **Mayor/Council Comments** – There were no announcements at this time.

28

30 3. **Approval of Minutes** – The minutes of the regular meeting of the City Council meeting of May 2, 2017 were reviewed.

32 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE MINUTES
OF THE REGULAR CITY COUNCIL MEETING OF MAY 2, 2017 AS PRESENTED.
34 COUNCILMEMBER SWEETEN SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

36 COUNCILMEMBER BEAN AYE

COUNCILMEMBER LUNDBERG AYE

38 COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER HOYT AYE

40 COUNCILMEMBER SWEETEN AYE

THE MOTION CARRIED UNANIMOUSLY.

42

4. **Consent Agenda** – No items.

44

46 5. **Open Session for Public Comment**– Mayor Acerson called for any public comment not listed as an agenda item. There were no public comments.

2 **CURRENT BUSINESS**

- 4 6. **Public Hearing — FY 2018 Proposed Budget; Resolution #2017-12-R.** The
 6 City Council will accept public comment as it reviews and considers its FY 2018
 8 Proposed Budget. The Council will give direction on major budget issues
 10 including allocation of revenue from the water, sewer, storm water and other
 enterprise funds to the general fund, consideration of utility rate adjustments,
 PARC tax expenditures, and other budgetary issues. The final FY 2018 budget
 will be adopted on June 20, 2017.

12 COUNCILMEMBER BRODERICK MOVED TO OPEN THE PUBLIC
 HEARING. COUNCILMEMBER SWEETEN SECONDED THE MOTION. ALL
 14 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

16 Kristen Colson, Finance Director, opened the discussion by referencing the
 resolution and budget documents previously discussed in the work session. She noted the
 18 Proposed Budget should be adopted after receiving public input and providing any
 desired changes or suggestions. The Final Budget will be presented and adopted on June
 20 20, 2017. She then reviewed the key issues and any remaining items to be finalized prior
 to adopting the final budget on June 20th.

22 **Budget Issue #1**

24 **Should Lindon City provide employees with a 1.5% Cost Of Living Allowance
 (COLA) increase and provide for a merit step or 3.0% increase in January?**

26 Ms. Colson explained the Consumer Price Index (CPI) had an average annual
 28 increase of 1.5% from March 2016 to February 2017 according to US Department of
 Labor. Performance evaluations are performed annually in January at which time merit
 30 increases would be available to those who meet a predetermined criteria. Historically,
 COLA and merit increases have provided somewhat consistent buying power for the
 32 employees and have kept salaries competitive and employee morale high. She stated the
 Fiscal impact for both is \$124,000 (broken out by fund). The merit increase is budgeted
 34 based on the unreserved General Fund balance as a percentage of revenue. A 3.0% Merit
 Increase is budgeted for 2016FY, effective Jan. 1, 2017. The Merit Increase is awarded
 36 based on employee evaluation scores. She noted that both the COLA and Merit increases
 are reflected in the Proposed Budget. Ms. Colson asked if there were any questions or
 38 concerns regarding Budget Issue #1.

40 Mayor Acerson called for any public comment at this time. A resident in
 attendance questioned if all employees will receive a 3% merit increase. Ms. Colson
 42 explained the merit varies by employee and is based on evaluation performance.

44 Following some general discussion by the Council the straw poll vote regarding
 Budget Issue #1 was recorded as follows:
 46

2 THE STRAW POLL VOTE FOR BUDGET ISSUE #1 WAS RECORDED AS
 FOLLOWS:

4 COUNCILMEMBER BEAN AYE
 COUNCILMEMBER LUNDBERG AYE
 6 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER HOYT AYE
 8 COUNCILMEMBER SWEETEN AYE

10 **Budget Issue #2**
Should Lindon City hire a full-time Public Works Engineer and a full-time Facilities
 12 **Manager?**

14 Ms. Colson explained the following full time Public Works Engineer and
 Facilities Manager positions for consideration:

16 **Public Works Engineer:**

- 18 • Engineering costs increasing as Lindon City grows
- 20 • JUB has 10 engineers that provide service to Lindon City, with 3 of them almost
 exclusively working on Lindon projects
- 22 • PW Engineer could reduce workload at JUB by one engineer, approximately
 \$188,000 per year
- 24 • The cost of PW Engineer would be \$136,000 so an annual savings of about
 \$52,000
- 26 • Duties would include site plan reviews, attend DRC Meetings, attend
 governmental coordination meetings (i.e., UDOT, other cities), helping with
 various city projects, coordinate with JUB, assist other Lindon staff

28 **Facilities Manager:**

- 30 • Lindon City growing with most recent addition of Public Safety Building
- 32 • Lindon owns 113,000 ft² of roofed facilities (buildings, pavilions, restrooms, well
 houses, pump houses, etc.)
- 34 • Different departments managing these facilities resulting in inconsistent
 maintenance and extra hours
- 36 • Duties would include facilities maintenance, assist with department projects,
 oversee upcoming City Center elevator remodel, maintain Aquatics Center in
 winter months, supervise all janitorial services, manage City fleet registration and
 38 maintenance scheduling

40 Ms. Colson then explained the Fiscal Impact stating the salary and benefits for
 these positions is listed below without COLA and Merit increases. COLA and Merit
 42 increase costs for these positions are included with Budget Issue #1.

	<u>PW Engineer</u>	<u>Facilities Mgr</u>
44 Salary	\$90,001.60	\$43,659.20
Benefits	<u>\$46,077.60</u>	<u>\$32,304.63</u>
46 Total	\$136,079.20	\$75,963.83

2 She noted that both positions would be paid from the General Fund. The Public
4 Works Engineer would have equal cost share contributions from the Water, Sewer and
Storm Water Funds totaling \$102,059.40. She then referenced the total impact by fund as
follows:

6	General Fund	\$109,983.63
	Water Fund	\$34,019.80
8	Sewer Fund	\$34,019.80
	Storm Water Fund	\$34,019.80

10 Ms. Colson noted these positions are reflected in the Proposed Budget. Ms.
12 Colson asked if there were any questions or concerns at this time.

14 Following some general discussion by the Council the straw poll vote regarding
Budget Issue #2 was recorded as follows:

16 THE STRAW POLL VOTE FOR BUDGET ISSUE #2 WAS RECORDED AS
18 FOLLOWS:

20	COUNCILMEMBER BEAN	AYE
	COUNCILMEMBER LUNDBERG	AYE
	COUNCILMEMBER BRODERICK	AYE
22	COUNCILMEMBER HOYT	AYE
	COUNCILMEMBER SWEETEN	AYE

24 **Budget Issue #3:**

26 **Should Lindon City increase Water, Sewer and Storm Water utility rates?**

28 Ms. Colson explained utility rates should not only cover current operational
30 expenses, but also allow reserves to be established over time in order to fund repairing
and/or replacing aging system components. Current utility rates do not meet this
32 objective. In addition, recent legislation mandates that culinary water rates be structured
in a tier format to encourage conservation. The City Engineer conducted an infrastructure
34 assessment and maintenance evaluation as well as a utility rate study to determine and
recommend utility rate increases for water, sewer, and storm water utilities. The
36 recommendation was to implement an annual increase over five years of 9% for water
rates, 4% for sewer rates, and 13% for storm water rates. The annual rate increases began
July 1, 2014. She noted these rate increases **do not** currently include culinary water
38 pumping costs to upper zones, nor the tiered rate structure changes. JUB Engineers is
currently evaluating these fees.

40 Ms. Colson stated they are recommending approving the increases in water, sewer
and storm water utility rates. These changes are reflected in the Proposed Budget and
42 revised Fee Schedule. Ms. Colson asked if there were any questions or concerns at this
time.

44 Ms. Colson then referenced the Differential Fiscal Impact as follows:

46	Water Fund	\$122,780
----	------------	-----------

Sewer Fund	\$ 60,890
Storm Water Fund	\$ 81,505

2

Following some general discussion by the Council the straw poll vote regarding Budget Issue #3 was recorded as follows:

4

6 THE STRAW POLL VOTE FOR BUDGET ISSUE #3 WAS RECORDED AS FOLLOWS:

8 COUNCILMEMBER BEAN	AYE
COUNCILMEMBER LUNDBERG	AYE
10 COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE
12 COUNCILMEMBER SWEETEN	AYE

Ms. Colson also presented the following budget items that were voted on with a straw poll vote as follows:

14

16

FEE SCHEDULE CHANGES

Ms. Colson then went over the Fee Schedule Changes including rental rates and pool passes at the Aquatics Center, a candidate filing fee and secondary water meter rates and utility rates.

18

20

Following some general discussion by the Council the straw poll vote regarding the fee schedule changes discussed was recorded as follows:

22

24

THE STRAW POLL VOTE FOR THE FEE SCHEDULE CHANGES DISCUSSED WAS RECORDED AS FOLLOWS:

COUNCILMEMBER BEAN	AYE
28 COUNCILMEMBER LUNDBERG	AYE
COUNCILMEMBER BRODERICK	AYE
30 COUNCILMEMBER HOYT	AYE
COUNCILMEMBER SWEETEN	AYE

32

CHANGES IN EXISTING FEES

Ms. Colson noted the changes in existing fees including the Corporate Block passes at Aquatic Center.

34

36

Following some general discussion by the Council the straw poll vote regarding the fee schedule changes discussed was recorded as follows:

38

THE STRAW POLL VOTE FOR THE CHANGES IN EXISTING FEES DISCUSSED WAS RECORDED AS FOLLOWS:

42 COUNCILMEMBER BEAN	AYE
COUNCILMEMBER LUNDBERG	AYE
44 COUNCILMEMBER BRODERICK	AYE
COUNCILMEMBER HOYT	AYE

2 COUNCILMEMBER SWEETEN AYE

4 **CHANGES IN FUND BALANCE**

6 Ms. Colson mentioned the Sale of property and increased fund balance and also
 8 scenario one and two. The Council was in agreement to have more discussion on the two
 10 scenario options. She also mentioned a calculation error (to the positive) in the storm
 12 water fund. She also noted additional items including \$100,000 for the City Center
 14 elevator remodel, \$82,000 for 2 police vehicles, \$39,665 for a truck for Parks Department
 16 as well as Salter & broom for the Kubota and \$20,000 for a car for Planning Department.
 18 She also mentioned the \$500,000 for major maintenance and/or reconstruction (Road
 20 Fund) and \$100,000 (Parc Tax) to fix or replace Meadow Park playground, \$39,000
 22 (Water Fund) for a truck and \$652,000 for special projects including \$250k for
 preliminary work on new well, \$100k for water portion of off-site improvements for SL#
 7 and \$202k for projects postponed from 2017FY and \$1.4 Million for sewer lift station
 #7 (Sewer fund) and (Storm Water Fund) \$35,000 for storm water portion of off-site
 improvements for SL# 7. Mr. Cowie also mentioned that the required noticing for the
 Utility Funds transfer will be sent out (Enterprise Funds transfer). There was also
 discussion on the sewer (lift station) bond debt schedule prepayment options. Mr. Cowie
 stated they will crunch the numbers a bit and talk with LYRB and get the rate wrapped up
 and bring it back before the Council.

22 Mayor Acerson then called for any public comments at this time. There were
 24 several attendees that addressed the Council at this time as follows:

26 **Randi Powell:** Ms. Powell questioned the budget line item about “crack sealing” on
 roads and if contracted out how well do the contractors perform their job.

28 *Mr. Cowie stated it depends on the contractor. The street department looks at the job
 they are doing and sometimes one company is better than another.*

30 **Randi Powell:** Ms. Powell asked about the \$10,000 allocated to the PG Chamber of
 32 Commerce and if that number is for a portion of the fiscal year.

34 *Mr. Cowie stated that is for the current fiscal year. Mr. Cowie noted the Council
 approved the allocation in July and committed to the full \$10,000 and it won't come due
 36 again until the full year is up.*

38 **Randi Powell:** Ms. Powell inquired how much Lindon will actually benefit from joining
 the PB Chamber of Commerce for the \$10,000 contribution per year.

40 *Councilmember Sweeten stated there was extensive discussion when approved.
 42 Councilmember Bean pointed out it wasn't a new item for the upcoming fiscal year and
 the other items are; they extensively discuss the new items so it wouldn't show on this
 44 new cycle.*

2 **Randi Powell:** Ms. Powell stated it appears the work session discussion ended with a
4 pretty quick vote (per work session recording) and questioned what the Council feels the
benefits will be.

6 *Councilmember Lundberg stated she recollects there were several meetings prior
8 on this issue with several businesses that came in along with the PG Chamber and talked
to the council about it. The Utah Valley Chamber also came and talked to the Council; it
wasn't just the one meeting. Following discussion the Council determined the PG
10 Chamber would give more direct returns than the Utah Valley Chamber. She also
expressed since becoming the PG/Lindon Chamber she has gone to the monthly meetings
12 (to see how the \$10,000 is being utilized) and feels they have promoted businesses and
events that are well attended and they represent Lindon well. She feels this is a great
14 networking for businesses and service between one another. She also feels joining the
Chamber vs. the costs of running our own Chamber was a good option and less expensive
16 and she is impressed with the Director noting he has motivation to grow the Chamber.*

18 *Councilmember Broderick commented that part of the plan when it was approved
was that the Council wanted to review this after a year and see the impacts and
benchmarks and noted we are not committed forever; he wants to hear from the
20 businesses on how it has benefited them and determine from there.*

22 *Councilmember Sweeten stated the reason they wanted to support this is to
support the businesses and the money spent is a good investment to bring further revenue
into the city.*

24 *Mayor Acerson pointed out as this was approved with one of the stipulations
being to bring back a report. He would suggest we get the report to see how they are
26 performing and if they are doing what was intended to get the value; we need to have the
review this upcoming July or August to ensure they are hitting the benchmarks; the intent
28 is to become self sufficient.*

30 *Councilmember Bean stated he appreciates the feedback but the bottom line is to
ensure that Lindon businesses come here and feel valued and it is difficult to assess this
as it hasn't been a year yet but they will re-evaluate it. He pointed out there have been
32 other efforts (Economic Development) in addition to the Chamber to reach out to
businesses.*

34 *Councilmember Hoyt commented that the PG Chamber of Commerce came to
Lindon City to offer a partnership and overall he believes the Council as a whole is
36 satisfied with the PG/Lindon Chamber of Commerce partnership to date and they are
doing a good job and are building a business community in Lindon.*

38
40 *Mayor Acerson then called for any further public comment. Hearing none he
called for a motion to close the public hearing.*

42 **COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC
HEARING. COUNCILMEMBER SWEETEN SECONDED THE MOTION. ALL
44 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.**

46 *Mayor Acerson then called for any further comments or discussion from the
Council. Hearing none he called for a motion.*

2 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION #2017-
4 12-R AND THE FISCAL YEAR 2018 PROPOSED BUDGET. COUNCILMEMBER
4 BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS
FOLLOWS:

6 COUNCILMEMBER BEAN AYE
COUNCILMEMBER LUNDBERG AYE
8 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT AYE
10 COUNCILMEMBER SWEETEN AYE
THE MOTION CARRIED UNANIMOUSLY.

- 12
14 7. **Recess to Lindon City Redevelopment Agency Meeting (RDA).** The RDA
14 Board of Directors will review and consider the Proposed Budget for fiscal year
16 2018. The RDA will also hold a public hearing to adopt the Final Budget on June
20, 2017.

18 COUNCILMEMBER BRODERICK MOVED TO CONVENE THE MEETING
OF THE LINDON CITY REDEVELOPMENT AGENCY AT 8:35 P.M.
20 COUNCILMEMBER LUNDBERG SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

22
24 BOARDMEMBER HOYT MOVED TO ADJOURN THE MEETING OF THE
LINDON CITY RDA MEETING AND RE-CONVENE THE MEETING OF THE
LINDON CITY COUNCIL MEETING AT 8:40 P.M. BOARDMEMBER SWEETEN
26 SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION
CARRIED.

- 28
30 8. **Review and Action — Vote by Mail Agreement with Utah County;
Resolution #2017-14-R.** The City Council will review and consider an Interlocal
32 Agreement with Utah County to have the County administer a ‘vote by mail’
election process for the upcoming 2018 Primary & General Elections.

34 Mr. Cowie led this agenda item by explaining over twenty Utah County cities
36 have opted to participate in the Vote by Mail process to be administered by Utah County
in the upcoming local elections. He noted the process is estimated to increase voter
38 participation by 30%. The County has met with all of the City Recorder’s from the cities
and the Vote by Mail process appears to be moving forward as the way of the future for
40 County- administered federal elections as well. He explained this agreement formalizes
the commitment to move forward with Vote by Mail administered by Utah County.

42 Mayor Acerson then called for any comments or discussion from the Council.
Hearing none he called for a motion.

44 COUNCILMEMBER BEAN MOVED TO APPROVE RESOLUTION #2017-13-
R ENTERING INTO AN AGREEMENT WITH UTAH COUNTY TO ADMINISTER
46 THE 2017 ELECTIONS THROUGH A VOTE BY MAIL PROCESS.

2 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

- 4 COUNCILMEMBER BEAN AYE
 - COUNCILMEMBER LUNDBERG AYE
 - 6 COUNCILMEMBER BRODERICK AYE
 - COUNCILMEMBER HOYT AYE
 - 8 COUNCILMEMBER SWEETEN AYE
- THE MOTION CARRIED UNANIMOUSLY

10

9. **Review and Action — Wildfire Prevention Agreement; Resolution #2017-14-R.** The City Council will review and consider a Cooperative Agreement with Utah Division of Forestry, Fire and State Lands to facilitate State participation in costs to fight wildland fires within Lindon City limits.

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Mr. Cowie led this agenda item by explaining this agreement formalizes the commitment of the City to provide fire prevention activities and outreach valued up to approximately \$1,700/yr. He further explained a Community Wildfire Preparedness Plan must then be adopted within two years. He noted that entities not participating in the program will be billed for the cost of wildfire suppression on State & Federal lands within the jurisdiction. He pointed out that Lindon has a fair amount of risk exposure along the State & Federal lands adjacent to the Timpanogos foothills and along Utah Lake. He added that Staff has discussed the agreement and program with Orem Fire Department (contracted fire agency) and recommends approval of the agreement.

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Mayor Acerson then called for any further comments or discussion from the Council. Hearing none he called for a motion.

28

COUNCILMEMBER BRODERICK MOVE TO APPROVE RESOLUTION #2017-14-R ENTERING INTO AN AGREEMENT WITH THE UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS FOR WILDFIRE MANAGEMENT. COUNCILMEMBER SWEETEN SECONDED THE MOTION. THE VOTE WAS

30

32

- RECORDED AS FOLLOWS:
- COUNCILMEMBER BEAN AYE
 - 34 COUNCILMEMBER LUNDBERG AYE
 - COUNCILMEMBER BRODERICK AYE
 - 36 COUNCILMEMBER HOYT AYE
 - COUNCILMEMBER SWEETEN AYE

34

36

38

THE MOTION CARRIED UNANIMOUSLY.

40

10. COUNCIL REPORTS:

42

Councilmember Hoyt – Councilmember Hoyt reported the PG/Lindon Chamber of Commerce will be holding their monthly luncheon at the Lindon City Public Safety Building. Chief Gurney and Chief Adams will be speaking on how police and fire can help the business community. He noted this luncheon will be held on June 1st and should be a good event; all Councilmember’s are invited to attend. He reported the Historic Preservation Committee is reaching out through the monthly newsletter articles “How I

44

46

2 came to Lindon.” He noted if the Council knows of anyone who would like to submit an
 4 article to send it to Lyle Lamoreaux. He mentioned the Community Center Advisory
 6 Board is looking for new members and to contact him with names of those who would be
 willing to serve as they are always looking for good people who want to be involved on
 the Advisory Board.

8 **Councilmember Broderick** – Councilmember Broderick had nothing to report.

10 **Councilmember Bean** – Councilmember Bean reported that Sharon Call is up for
 another term (this will be her fourth 3 year term). Chairperson Call was voted in again as
 12 the continuing chair and she is willing to continue serving. Following some discussion
 the Council was in agreement that Chairperson Call does a great job. Councilmember
 14 Bean stated if there are any concerns to let the Mayor or Mr. Van Wagenen know. He
 also mentioned the roadway by Pizza Factory on the southeast corner has gotten worse
 16 and is need of repair. He realizes it is a UDOT State Road but it needs to be re-done. Mr.
 Cowie stated he is aware of this issue and will follow-up with UDOT.

18 **Councilmember Lundberg** – Councilmember Lundberg she attended the NOVA
 20 graduation today which was a great event and program. She also reported she will be
 attending the Tree Board meeting tomorrow noting she is very impressed with this group
 22 as they are really invested and care about the issues. She also reported the pool lights at
 the pool will be kept on until 10:00 for the Council to see them after the meeting. She
 24 also reported the Lindon Chamber Music Society concert was held last Friday at the
 Wadley Farms Castle and was a huge success. She also noted the swim team is sold out
 26 and Heath Bateman has done a great job on how to maximize the pool for maximum
 revenues. She also attended the joint PG/Lindon Chamber meeting (with American Fork)
 28 which was a great meeting and well attended at Thanksgiving Point. She also mentioned
 the Mayor’s video on the homepage of the city website which is very nice and
 30 informative. She also mentioned an email from Patrick Leichty on the manhole sinking
 issue. Mr. Cowie stated they will be taking care of this issue.

32 **Councilmember Sweeten**– Councilmember Sweeten reported the police officers are
 34 very happy with the new Police Chief and with the direction the department is going. He
 also mentioned the NOVA graduation is a good program and it is good for the citizens to
 36 see the Police Chief at these events. He also reported on the transfer station noting they
 have discussed the tire recycling fee. They also toured the facility where they process
 38 tires in North SLC. He noted there are no new updates on Lindon Days at this time.

40 **Mayor Acerson** – Mayor Acerson reported issues at the animal shelter seem to be
 moving in a positive way. He also reported that IHC holds wonderful meetings and it is a
 42 good platform in reaching out to provide good connections for communities and provide
 resources through counseling etc.; it is a good focal point to bring to our attention. He
 44 also mentioned UIA noting they are in their new office location. He also mentioned
 Roger Timmerman, CEO, presented at the recent league meetings. He also stated they are
 46 continuing to see increased revenue and are trending upward; this is positive for
 operation and maintenance. Mr. Cowie noted he will send out the monthly report.

2 11. **Administrator's Report:** Mr. Cowie reported on the following items followed
4 by discussion.

6 **Misc Updates:**

- 6 • May newsletter
- 8 • June newsletter article: Brad Jorgensen - Article due to Kathy Moosman last week
10 in April.
- 12 • I-15 frontage road concepts (see attached map at end of staff report)
- 14 • Large warehouse proposal in CG zone
- 16 • Storm water flooding case previously discussed: Settlement pending. Court
18 appears avoided.
- Lots of city projects going on: various road work, lights at pool, new pavilions,
 water tank fencing, chlorinators, well reconstruction, sewer lift station, etc.
- Old firemen's house – now rented.
- Theft of equipment from park & pool.
- Misc. Items

20 **Upcoming Meetings & Events:**

- 22 • May 23rd at 7:00pm – Special meeting w/ Planning Commission (zone change &
24 sale of property)
- May 29th (Memorial Day) – Aquatics Center opens to the public
- May 29th Memorial Day service at cemetery
- August 7th – 12th – Lindon Days

26 Mayor Acerson called for any further comments or discussion from the Council.
28 Hearing none he called for a motion to adjourn.

30 **Adjourn** –

32 COUNCILMEMBER HOYT MOVED TO ADJOURN THE MEETING AT 9:45
34 PM. COUNCILMEMBER SWEETEN SECONDED THE MOTION. ALL PRESENT
 VOTED IN FAVOR. THE MOTION CARRIED.

36 Approved – June 6, 2017

38 _____
40 Kathryn Moosman, City Recorder

42 _____
44 Jeff Acerson, Mayor

Item 4 – Consent Agenda – *(Consent agenda items are only those which have been discussed beforehand and do not require further discussion)*

- No Items.

Item 5 – Open Session for Public Comment *(For items not on the agenda - 10 minutes)*

6. Review & Action — Sewer Revenue Bond Parameters Resolution #2017-16-R (20 minutes)

Consideration of a resolution authorizing the issuance and sale of not more than \$1,600,000 aggregate principal amount of sewer revenue bonds; fixing the maximum aggregate principal amount of the bonds, the maximum number of years over which the bonds may mature, the maximum interest rate which the bonds may bear, and the maximum discount from par at which the bonds may be sold; providing for the publication of a notice of public hearing and bonds to be issued; providing for the running of a contest period and setting a public hearing date; authorizing the execution by the City of a general indenture, supplemental indenture (or a master resolution in similar form), bond purchase agreement, and other documents required in connection therewith; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by the resolution; and related matters.

The City has worked with Ivory Homes in designing and constructing a new sewer lift station at approximately 150 North 1500 West. The sewer lift station serving the Ivory Homes development, but is also combining three existing sewer lift stations into one new facility. The work being done consists of construction on the lift station, off-site sewer piping and upsizing of sewer infrastructure. By consolidating several lift stations into one facility it will save the City multiple millions of dollars over the life of its sewer system. Work has begun is expected to be complete by late June. All costs are being covered by Ivory Homes with the City having already entered into a contract to pay Ivory Homes back for the City's agreed upon share of the project costs and upsizing. The City has previously discussed the need to bond for this project and will use sewer fee revenues to cover the cost of annual bond payments. Repayment to Ivory is due in August 2017 (depending on completion date of the project).

This Super Parameters Resolution sets the limits of potential borrowing and terms of the bond to be secured at a future date. It does not bind the Council to a certain bond or interest rate. It just sets the 'not-to-exceed boundaries' for borrowing and interest rates. It also provides direction for processing of the future transaction and sets dates for receiving public input on issuance of the bonds (public hearing planned for July 18th). The City's financial consultants (LYRB) have been directed to price both 10 and 15 year bond options with potential buyers, with the stipulation that the bonds should not have pre-payment penalties. It is anticipated that the City's proposed sewer rates (including planned future increases per previous rate studies) will adequately cover the cost of the sewer revenue bond. See attached resolution and draft bond documents for details.

Engineers estimate the final costs of the lift station and off-site utilities will be approximately \$1.2 to \$1.3 million. However, as Ivory Homes has not yet finalized completion of the lift station or off-site work, and as final costs are not absolutely certain, it is recommended that the parameters resolution amount be \$1.6 million. It does not mean the City will have to borrow this much unless necessary. The higher amount in the resolution gives plenty of head-room should some unknown costs come up before the project is finalized – and then the City won't have to repeat the public hearing processes for the bonds.

Sample Motion: I move to (approve, deny, continue) Resolution #2017-16-R authorizing the issuance and sale of not more than \$1,600,000 aggregate principal amount of sewer revenue bonds.





DATE	EVENT	RESPONSIBLE PARTY	STATUS
June 6	City Council meeting to consider adoption of Parameters (Super) Resolution, authorize the publication of a <u>NOTICE OF INTENT TO ISSUE BONDS</u> and set a time and place for a <u>PUBLIC HEARING</u> related to the issuance of the Series 2017 Bonds (<u>PUBLIC HEARING</u> Date: July 18, 2017)	CITY, BC, LYRB	
June 9	Publish first <u>NOTICE OF INTENT TO ISSUE BONDS</u> and intent of City to hold a <u>PUBLIC HEARING</u> .	BC, CITY	
June 13-14	Federal Reserve Open Market Committee meeting (potential interest rate hike to the Federal Funds Rate)	-	
June 16	Publish second <u>NOTICE OF INTENT TO ISSUE BONDS</u> and intent of City to hold a <u>PUBLIC HEARING</u> . Begin 30-day public contestability period.	BC, CITY	
June 21	Distribute Financing Term Sheet to prospective bond purchasers	LYRB	
July 6	Bids and responses due from interested bond purchasers	LYRB	
July 7	Analyze various bond purchase options and prepare a recommendation for City's consideration	LYRB	
July 11	Present analysis of purchaser offers and LYRB's recommendation to City	CITY, LYRB	
July 12	Furnish winning bid results to Bond Counsel for inclusion in bond documents; and Notify winning bidder of their selection	LYRB, BC, PURCHASER	
July 16	End of 30-day public contestability period	-	
July 18	City Council meeting for <u>PUBLIC HEARING</u> to receive comment related to the issuance of the Series 2017 Bonds	CITY, LYRB	
July 18	City's designated Pricing Committee ("Designated Officers") meets to accept final pricing terms and execute the Bond Purchase Agreement (all terms and conditions are committed at this point)	CITY, BC, LYRB	
July 20	Distribution of draft Bond Documents for review by all parties	BC	
July 21	Disseminate draft Closing Memorandum for review by all parties	LYRB	
July 25	Disseminate draft Closing Documents	BC, LYRB	
July 27	Disseminate final Closing Memorandum with wiring instructions	LYRB	
July 28	Disseminate final version of Closing Documents	BC	
August 1	Pre-closing; signing of Closing Documents	ALL	
August 2	Closing and delivery of bond proceeds	ALL	

LEGEND

BC:	GILMORE & BELL, PC – BOND COUNSEL
CITY:	CITY STAFF AND OFFICIALS
LYRB:	LEWIS YOUNG ROBERTSON & BURNINGHAM, INC. – FINANCIAL ADVISOR
PURCHASER:	BOND PURCHASER - (TBD)
TRUSTEE:	TO BE DETERMINED

Lindon, Utah

June 6, 2017

The City Council (the “Council”) of Lindon City, Utah (the “Issuer”), met in regular public session at the regular meeting place of the Council in Lindon, Utah, on June 6, 2017, at the hour of 7:00 p.m., with the following members of the Council being present:

Jeff Acerson	Mayor
Matt Bean	Councilmember
Van Broderick	Councilmember
Jake Hoyt	Councilmember
Carolyn Lundberg	Councilmember
Dustin Sweeten	Councilmember

Also present:

Adam Cowie	City Administrator
Brian Haws	City Attorney
Kathryn Moosman	City Recorder

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this June 6, 2017, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Councilmember _____ and seconded by Councilmember _____, was adopted by the following vote:

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. 2017-16-R

A RESOLUTION OF THE CITY COUNCIL OF LINDON CITY, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$1,600,000 AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING A PUBLIC HEARING DATE; AUTHORIZING THE EXECUTION BY THE ISSUER OF A GENERAL INDENTURE AND SUPPLEMENTAL INDENTURE (OR A MASTER RESOLUTION IN SIMILAR FORM), BOND PURCHASE AGREEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of Lindon City, Utah (the “Issuer”) desires to (a) finance the acquisition and construction of improvements to the Issuer’s waste water/sewer system (collectively the “Series 2017 Project”); (b) fund a debt service reserve fund, if necessary, and (c) pay costs of issuance with respect to the Series 2017 Bonds herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Sewer Revenue Bonds, Series 2017 (the “Series 2017 Bonds”) (to be issued from time to time, as one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), (b) this Resolution, and (c) a General Indenture of Trust and a Supplemental Indenture of Trust or by a master resolution without a trustee with substantially similar terms (together, the “Indenture”), in substantially the forms presented to the meeting at which this Resolution was adopted and which are attached hereto as Exhibit B; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (a) give notice of its intent to issue such bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential economic impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2017 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, the Council desires to approve and authorize a Bond Purchase Agreement (the “Bond Purchase Agreement”), to be entered into between the Issuer and the purchaser selected by the Issuer for the Series 2017 Bonds (the “Purchaser”), in substantially the form attached hereto as Exhibit C; and

WHEREAS, in order to allow the Issuer, in the consultation with the Issuer’s municipal advisor, Lewis Young Robertson & Burningham, Inc. (the “Municipal Advisor”) flexibility in setting the pricing date of the Series 2017 Bonds, the Council desires to grant to any one of the Mayor (or Mayor Pro Tem) and the City Administrator (each a “Designated Officer” and together the “Designated Officers”), the authority to select the Purchaser, to approve the final interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2017 Bonds shall be sold, appoint a trustee if required, and to make any changes with respect thereto from those terms which were before the Council at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the “Parameters”);

NOW, THEREFORE, it is hereby resolved by the City Council of Lindon City, Utah, as follows:

Section 1. For the purpose of financing the Series 2017 Project, funding a debt service reserve fund, if necessary, and paying costs of issuance of the Series 2017 Bonds, the Issuer hereby authorizes the issuance of the Series 2017 Bonds which shall be designated “Lindon City, Utah Sewer Revenue Bonds, Series 2017” (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the initial aggregate principal amount of not to exceed \$1,600,000 . The Series 2017 Bonds shall mature in not more than sixteen (16) years from their date or dates, shall be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, shall bear interest at a rate or rates not to exceed four percent (4.00%) per annum, and shall be non-callable or subject to redemption, all as shall be approved by the Designated Officers in consultation with the Issuer’s Municipal Advisor, all within the Parameters set forth herein.

Section 2. The Indenture and the Bond Purchase Agreement, in the forms presented at this meeting and attached hereto as Exhibits B and C respectively, are hereby authorized, approved, and confirmed. The Mayor and the City Recorder (or designee, collectively, the “City Recorder”) are hereby authorized to execute and deliver the Indenture and the Bond Purchase Agreement, in substantially the forms or with substantially the content as the forms presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers, in consultation with the Municipal Advisor, within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 4 hereof. The Designated Officers are each hereby authorized to select the Purchaser and a trustee (if required), to specify and agree as to the final principal amounts, terms,

discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2017 Bonds for and on behalf of the Issuer by execution of the General Indenture, Supplemental Indenture, and Bond Purchase Agreement, provided that such terms are within the Parameters set by this Resolution.

Section 3. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes, deletions, or additions to the General Indenture, Supplemental Indenture, the Series 2017 Bonds, the Bond Purchase Agreement or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2017 Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States. The execution thereof by the Mayor on behalf of the Issuer of the documents approved hereby shall conclusively establish such necessity, appropriateness, and approval with respect to all such additions, modifications, deletions, and changes incorporated therein.

Section 4. The form, terms, and provisions of the Series 2017 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Mayor and City Recorder are hereby authorized and directed to execute and seal the Series 2017 Bonds and to deliver said Series 2017 Bonds to for authentication. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 5. The Designated Officers or other appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Series 2017 Bonds in accordance with the provisions of the Indenture.

Section 6. Upon their issuance, the Series 2017 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2017 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2017 Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 7. The Designated Officers or other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers (including, without limitation, tax compliance agreements) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 8. The Issuer shall hold a public hearing on July 18, 2017 to receive input from the public with respect to (a) the issuance of the Series 2017 Bonds, and (b) the

potential economic impact that the improvements to be financed with the proceeds of the Series 2017 Bonds issued under the Act will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first published and such publication shall be made (i) once a week for two consecutive weeks in the *Daily Herald*, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Lindon City of offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the last date of the newspaper publication thereof. The Issuer directs its officers and staff to publish a “Notice of Public Hearing and Bonds to be Issued” in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, that on June 6, 2017, the City Council (the “Council”) of Lindon City, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Sewer Revenue Bonds, Series 2017 (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer) (the “Series 2017 Bonds”), and called a public hearing to receive input from the public with respect to the issuance of the Series 2017 Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on July 18, 2017, at the hour of 7:00 p.m. at 100 North State Street, Lindon, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Series 2017 Bonds and (b) any potential economic impact that the Project to be financed with the proceeds of the Series 2017 Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE SERIES 2017 BONDS

The Series 2017 Bonds will be issued for the purpose of (a) financing the acquisition and construction of improvements to the Issuer’s waste water/sewer system (the “System”) (collectively, the “Project”), (b) funding a debt service reserve fund, as necessary, and (c) paying costs of issuance of the Series 2017 Bonds.

PARAMETERS OF THE SERIES 2017 BONDS

The Issuer intends to issue the Series 2017 Bonds in the aggregate principal amount of not more than One Million Six Hundred Thousand Dollars (\$1,600,000), to mature in not more than sixteen (16) years from their date or dates, to be sold at a price not less than ninety-seven percent (97%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed six percent (4.00%) per annum. The Series 2017 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General and a Supplemental Indenture or a master resolution without a trustee with substantially similar terms (collectively, the “Indenture”) which were before the Council at the time of the adoption of the Resolution and said Indenture is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2017 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2017 Bonds for any reason and at any time up to the issuance of the Series 2017 Bonds.

REVENUES TO BE PLEDGED

The Series 2017 Bonds are special limited obligations of the Issuer payable from the net revenues of the System.

Section 10. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt to reimburse itself for initial expenditures for costs of the Project. The Series 2017 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2017 Bonds which will be issued to finance the reimbursed costs of the Project is not expected to exceed \$1,600,000.

Section 11. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

Section 12. Upon the issuance of the Series 2017 Bonds, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2017 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

APPROVED AND ADOPTED this June 6, 2017.

LINDON CITY, UTAH

(SEAL)

Mayor

ATTEST:

City Recorder

(Here follows business not pertinent to the above.)

Pursuant to motion duly made and seconded, the City Council adjourned.

(SEAL)

Mayor

ATTEST:

City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

I, Kathryn Moosman, the duly appointed and qualified City Recorder of Lindon City, Utah (the “City”), does hereby certify according to the records of the City Council of the City (the “City Council”) in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on June 6, 2017, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on June 6, 2017, and pursuant to the Resolution, there will be published a Notice of Public Hearing and Bonds to be Issued (a) once a week for two consecutive weeks in the *Daily Herald*, a newspaper having general circulation within the City, (b) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (c) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this June 6, 2017.

(SEAL)

By: _____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Kathryn Moosman, the undersigned City Recorder of Lindon City, Utah (the “City”), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the June 6, 2017, public meeting held by the City Council of the City (the “City Council”) as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the City on June ____, 2017, 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;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to the Daily Herald pursuant to its subscription to the Utah Public Notice Website (<http://pmn.utah.gov>), at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2017 Annual Meeting Schedule for the City Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be (a) posted on _____, at the principal office of the City Council, (b) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year and (c) provided to at least one newspaper of general circulation within the City pursuant to its subscription to the Utah Public Notice Website (<http://pmn.utah.gov>).

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this June 6, 2017.

(SEAL)

By: _____
City Recorder

Attachments:

SCHEDULE 1 - NOTICE OF MEETING
SCHEDULE 2 - ANNUAL MEETING SCHEDULE
Proof of Publication of Notice Bonds to be Issued

EXHIBIT B

FORM OF GENERAL INDENTURE AND SUPPLEMENTAL INDENTURE

(See Transcript Document No. _____)

GENERAL INDENTURE OF TRUST

Dated as of _____, 2017

between

LINDON CITY, UTAH

and

_____,
as Trustee

Relating to

LINDON CITY, UTAH

SEWER REVENUE BONDS

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THIS GENERAL INDENTURE OF TRUST, dated as of _____ 2017, by and between LINDON CITY, UTAH (the “Issuer”), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, and _____, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its corporate trust office in [Salt Lake City, Utah], as trustee (the “Trustee”),

W I T N E S S E T H:

WHEREAS, the Issuer desires to finance improvements to its existing sewer system, as further described herein (the “System”), including, but not limited to additions, extensions, buildings and other improvements to house and operate said facilities, to refund and retire existing obligations, to fund debt service reserves, and to pay issuance expenses to be incurred in connection with the issuance and sale of the Bonds herein authorized and defined; and

WHEREAS, the Issuer anticipates that the Revenues, after payment of Operation and Maintenance Expenses (the “Net Revenues”) will be sufficient to pay debt service on the Bonds issued hereunder; and

WHEREAS, the Net Revenues will not be pledged or hypothecated in any manner or for any purpose at the time of the issuance of the Initial Bonds (as herein defined) and the Issuer desires to pledge said Net Revenues toward the payment of the principal and interest on said Bonds; and;

WHEREAS, pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and/or the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the “Act”), the Issuer is authorized to issue its bonds payable from a special fund into which the Net Revenues of the Issuer may be pledged;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, the issuance by the Security Instrument Issuers from time to time of Security Instruments and the issuance by Reserve Instrument Providers from time to time of Reserve Instruments, and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds, of all Security Instrument Repayment Obligations according to their tenor and effect and of all Reserve Instrument Repayment Obligations according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein, in the Bonds, in all Security Instrument Agreements and in all Reserve Instrument Agreements, the Issuer does hereby convey, assign and pledge unto the Trustee and unto its successors in trust forever all right, title and interest of the Issuer in and to (i) the Net Revenues, (ii) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (iii) all other rights hereinafter granted, first, for the further securing of the Bonds and all Security Instrument Repayment Obligations, and

second, for the further security of all Reserve Instrument Repayment Obligations, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture and any Supplemental Indenture;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, FIRST, for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture and all Security Instrument Issuers without privilege, priority or distinction as to the lien or otherwise of any Bond or Security Instrument Repayment Obligation over any other by reason of time of issuance, sale, delivery, maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever;

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

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

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used in this Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

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

“Acquisition/Construction Fund” means the Lindon City, Utah, Sewer Revenue Acquisition/Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

“Act” means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, each to the extent applicable.

“Additional Bonds” means all Bonds issued under this Indenture other than the Initial Bonds.

“Administrative Costs” means all Security Instrument Costs, Reserve Instrument Costs and Rebatale Arbitrage.

“Aggregate Annual Debt Service Requirement” means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof.

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

“Authorized Representatives” means the Mayor, City Recorder, City Manager, Treasurer or any other officer of the Issuer so designated in writing by an Authorized Representative of the Issuer to the Trustee.

“Average Aggregate Annual Debt Service Requirement” means the total of all Aggregate Annual Debt Service Requirements divided by the total Bond Fund Years of the Bonds Outstanding or any specified portion thereof.

“Balloon Bonds” means, unless otherwise provided in the related Supplemental Indenture, Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Owner thereof may be redeemed, during any period of twelve consecutive months; provided, however, that to constitute Balloon Bonds, the Issuer must so designate such Bonds.

“Bond Fund” means the Lindon City, Utah, Sewer Revenue Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

“Bond Fund Year” means the 12-month period beginning July 1 of each year and ending on the next succeeding June 30, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding June 30.

“Bondholder,” “Bondowner,” “Registered Owner” or “Owner” means the registered owner of any Bonds herein authorized according to the registration books of the Issuer maintained by the Trustee as Registrar.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to this Indenture, including the Initial Bonds and any Additional Bonds.

“Business Day” means any day (i) (a) on which banking business is transacted, but not including any day on which banks are authorized to be closed in New York City or in the city in which the Trustee has its Corporate Trust Office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (b) on which the New York Stock Exchange is open, or (ii) as otherwise provided in a Supplemental Indenture.

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

“City Recorder” means the City Recorder of the Issuer and any deputy to the City Recorder or any successor to the duties of such office.

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

“Commercial Paper Program” means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to Article II hereof and are outstanding up to an Authorized Amount.

“Corporate Trust Office” means the designated corporate trust office of the Trustee at which, at any particular time, its corporate trust business shall be administered, which at the date of execution of this Indenture is that specified in Section 11.4.

“Cost” or “Costs” or “Cost of Completion,” or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

- (a) amounts payable to contractors and costs incident to the award of contracts;
- (b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits and licenses obtained by the Issuer or others;
- (c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;
- (d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (e) interest expenses, including interest on the Series of Bonds relating to a Project;
- (f) printing, engraving and other expenses of financing, fees of financial rating services and costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));
- (g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;
- (h) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;
- (i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;
- (j) cost of site improvements performed by the Issuer in anticipation of a Project;
- (k) moneys necessary to fund the funds created under this Indenture;
- (l) costs of the capitalization with proceeds of a Series of Bonds issued hereunder of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as herein provided, of any discount on bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;
- (m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, “Cost” includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f), (i), (k), (l), (m) and (o) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

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

“Cross-over Refunded Bonds” means Bonds or other obligations refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Current Interest Bonds” means all Bonds other than Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

“Debt Service” means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (i) all interest payable during such Bond Fund Year on such Series of Bonds, plus (ii) the Principal Installments payable during such Bond Fund Year on (a) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (b) such Repayment Obligations then outstanding;

provided, however, for purposes of Section 2.13 hereof,

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it

shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(2) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the market rate in a manner similar to that described in (1) above, unless another method of estimation is more appropriate, in the opinion of the Issuer's financial advisor, underwriter or similar agent with the approval of each Rating Agency, for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

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

(6) Amortization of Balloon Bonds may be assumed on a level debt service basis over a twenty-year period at the interest rate based on the Revenue Bond Index as last published in *The Bond Buyer*, provided that the full amount of Balloon Bonds shall be included in the calculation if the calculation is made within twelve (12) months of the actual maturity of such Balloon Bonds and no credit facility exists;

and further provided, that there shall be excluded from Debt Service (a) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (b) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, (c) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations and (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued.

“Debt Service Reserve Fund” means the Lindon City, Utah, Debt Service Reserve Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

“Debt Service Reserve Requirement” means with respect to each Series of Bonds issued pursuant to this Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (i) 10% of the proceeds of such Series of Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds 2% of original principal, then determined on the basis of initial purchase price to the public), (ii) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (iii) 125% of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Additional Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series of Bonds issued pursuant to the Indenture, then the portion of such Series of Bonds that remain Outstanding immediately after the issuance of such Additional Bonds and the portion of such Additional Bonds that is allocable to the refunding of such Series of Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as herein provided

or, if provided in the related Supplemental Indenture, may be accumulated over time. Each Account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

“Direct Obligations” means noncallable Government Obligations.

“Direct Payments” means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other substantially similar programs with respect to Bonds issued hereunder.

“Direct Payment Bonds” means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a “qualified bond” under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

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

“Event of Default” means with respect to any default or event of default hereunder any occurrence or event specified in and defined by Section 7.1 hereof.

“Fitch” means Fitch Ratings.

“Governing Body” means the City Council of the Issuer.

“Government Obligations” means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury (“SLGS”);
- (b) United States Treasury bills, notes and bonds, as traded on the open market;
- (c) Zero Coupon United States Treasury Bonds; and
- (d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

“Indenture” means this General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of this Indenture.

“Initial Bonds” means the first Series of Bonds issued under this Indenture.

“Interest Payment Date” means the stated payment date of an installment of interest on the Bonds.

“Interest Rate Swap” means an agreement between the Issuer or the Trustee and a Swap Counterparty related to a Series of Bonds whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

“Issuer” means Lindon City, Utah, and its successors.

“Mayor” means the Mayor of the Issuer and any deputy to the Mayor or any successor to the duties of such office.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Revenues” means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the Issuer or paid to any other entity pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, including cost of audits hereinafter required, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance hereinafter required, Administrative Costs and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to Issuer funds, interest expense for interfund loans from Issuer funds, and reimbursement to the Issuer for general overhead and administration of the Issuer, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“Other Available Funds” means for any year the amount available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund, as designated by the Issuer.

“Outstanding” or “Bonds Outstanding” means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered hereunder, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds pursuant to Sections 6.6 and 11.5 hereof, and any additional or successor paying agent appointed pursuant hereto.

“Pledged Bonds” means any Bonds that have been (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

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

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

“Project” means the acquisition, construction, and/or renovation of the System, or the acquisition of improvements and equipment (with an expected life beyond a current Fiscal Year) for use in the System.

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

“Qualified Engineer” means any registered or licensed engineer or architect or engineer or firm of such engineers or architects and engineers generally recognized to be qualified in engineering matters relating to construction and maintenance of municipal sewer systems. “Qualified Engineer” may include any registered or licensed engineer employed by the Issuer.

“Qualified Investments” means any of the following securities:

- (a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA's);

(c) Money market funds rated "AAAm" or "AAAm-G" or better by S&P and/or the equivalent rating or better of Moody's (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody's or A-1+ by S&P, and which matures not more than 270 days after the date of purchase;

(e) Bonds, notes or other evidences of indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(g) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer's Investment Fund; and

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

"Rate Stabilization Fund" means the Rate Stabilization Fund of the Issuer to be held by the Issuer and administered pursuant to Section 5.12 hereof.

"Rating Agency" means Fitch, Moody's or S&P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued hereunder at the request of the Issuer. If any such Rating Agency ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

"Rating Category" or "Rating Categories" mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

“Rebatable Arbitrage” means with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

“Rebate Calculation Date” means, with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

“Rebate Fund” means the Lindon City, Utah, Sewer Revenue Rebate Fund created in Section 3.8 hereof to be held by the Trustee and administered pursuant to Section 5.8 hereof.

“Register” means the record of ownership of the Bonds maintained by the Registrar.

“Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the registrar for the Bonds pursuant to Sections 2.6, 6.5 and 11.5 hereof, and any additional or successor registrar appointed pursuant hereto.

“Regular Record Date” means unless otherwise provided by Supplemental Indenture for a Series of Bonds, the fifteenth day of the month immediately preceding each Interest Payment Date.

“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 hereafter.

“Remarketing Agent” means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Repair and Replacement Fund” means the Lindon City, Utah, Sewer Revenue Repair and Replacement Fund created in Section 3.7 hereof to be held by the Issuer and administered pursuant to Section 5.7 hereof.

“Repair and Replacement Reserve Requirement” means the amount or amounts from time to time required under each Supplemental Indenture to be on deposit in the Repair and Replacement Fund.

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

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

“Reserve Instrument Agreement” means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant hereto under all Reserve Instruments.

“Reserve Instrument Fund” means the Lindon City, Utah, Sewer Revenue Reserve Instrument Fund created in Section 3.6 hereof to be held by the Trustee and administered pursuant to Section 5.6 hereof.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

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

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement (including the Supplemental Indenture authorizing the use of such Reserve Instrument) to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

“Revenue Fund” means the Lindon City, Utah, Sewer Revenue Fund created in Section 3.2 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

“Revenues” means all gross income and revenues of any kind, from any source whatsoever, derived from the ownership and operation of the System, including, without

limitation, all fees, Direct Payments, rates, connection charges, impact fees imposed with respect to the System to the extent such impact fees may be pledged and available for the payment of the Bonds and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and revenues.

“S&P” means S&P Global Ratings.

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

“Security Instrument Agreement” means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

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

“Security Instrument Issuer” means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

“Sinking Fund Account” means the Lindon City, Utah, Sewer Revenue Sinking Fund Account of the Bond Fund created in Section 3.4 hereof to be held by the Trustee and administered pursuant to Section 5.4 hereof.

“Sinking Fund Installment” means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year for the retirement of Term Bonds as specified in the Supplemental Indenture authorizing said Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with this Indenture.

“State” means the State of Utah.

“Supplemental Indenture” means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

“Swap Counterparty” means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

“Swap Payments” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Issuer. Swap Payments do not include any Termination Payments.

“Swap Receipts” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable for the account of the Issuer by the Swap Counterparty. Swap Receipts do not include amounts received with respect to the early termination or modification of an Interest Rate Swap.

“System” means, the sewage collection and treatment facilities of the Issuer, as such facilities now exist, and any other properties now or hereafter owned or operated by the Issuer relating to said facilities and as may hereafter be improved and extended, including specifically all properties of every nature owned by the Issuer and used or useful in the operation of said system, including real estate, personal and intangible properties, contracts, franchises, leases, whether lying within or without the boundaries of the Issuer, including the whole and each and every part of the sewer facilities of the Issuer, including any Project to be acquired and constructed pursuant to this General Indenture, and all real, personal, and mixed property, of every nature now or hereafter owned by the Issuer and used or useful in the operation of said System, together with all improvements, extensions, enlargements, additions, and repairs thereto which may be made while the Bonds remain outstanding. [*Definition modified from 2011 Resolution*]

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

“Termination Payments” means the amount payable to the Swap Counterparty by the Issuer with respect to the early termination or modification of an Interest Rate Swap. Termination Payments may only be payable from and secured by Net Revenues after payment of all amounts then due pursuant to the Indenture.

“Trustee” means _____ or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

“Utah Code” means Utah Code Annotated 1953, as amended.

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

“Year” means any twelve consecutive month period.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant hereto, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance, delivery, maturity or expiration, shall be of equal rank without preference, priority or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by this Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Section 1.3 Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

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

(b) Words in the singular number include the plural, and words in the plural include the singular.

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

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

sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.

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

ARTICLE II

THE BONDS

Section 2.1 Authorization of Bonds. There is hereby authorized for issuance hereunder Bonds which may, if and when authorized by Supplemental Indenture, be issued in one or more separate Series. Each Series of Bonds shall be authorized by a Supplemental Indenture, which shall state the purpose or purposes for which each such Series of Bonds is being issued. The aggregate principal amount of Bonds which may be issued shall not be limited except as provided herein or as may be limited by law provided that the aggregate principal amount of Bonds of each such Series shall not exceed the amount specified in the Supplemental Indenture authorizing each such Series of Bonds.

Section 2.2 Description of Bonds; Payment.

(a) Each Series of Bonds issued under the provisions hereof may be issued only as registered bonds. Unless otherwise specified in the Supplemental Indenture authorizing such Series of Bonds, each Series of Bonds shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof, shall be numbered consecutively from R-1 upwards and shall bear interest payable on each Interest Payment Date.

(b) Each Series of Bonds issued under the provisions hereof shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate permitted by law on the date of initial issuance of such Series, shall be payable on the days, shall be stated to mature on the days and in the years and shall be subject to redemption prior to their respective maturities, all as set forth in the Supplemental Indenture authorizing such Series of Bonds. Each Series of Bonds shall be designated “[Taxable] Sewer Revenue [Refunding] Bonds, Series _____,” in each case inserting the year in which the Bonds are issued and, if necessary, an identifying Series letter.

(c) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. Unless otherwise specified in the related Supplemental Indenture, the interest on Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be

payable to the registered owner of any Bond on such Regular Record Date, and will be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten (10) days prior to such Special Record Date. The principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof or as provided in Section 2.6 hereof at the Corporate Trust Office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.3 Execution; Limited Obligation. Unless otherwise specified in the related Supplemental Indenture, the Bonds of any Series shall be executed on behalf of the Issuer with the manual or official facsimile signature of its Mayor, countersigned with the manual or official facsimile signature of the City Recorder, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Issuer. In case any officer, the facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder and held by the Trustee (except the Rebate Fund) or the income from the temporary investment thereof) and Other Available Funds. The Bonds shall be a valid claim of the Registered Owners thereof only against the Net Revenues and other moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund) and the Issuer hereby pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Net Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized herein or by Supplemental Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The provisions of this Section 2.3 relating to the execution of Bonds may be changed as they apply to the Bonds of any Series by the Supplemental Indenture authorizing such Series of Bonds.

Section 2.4 Authentication and Delivery of Bonds.

(a) The Issuer shall deliver executed Bonds of each Series to the Trustee for authentication. Subject to the satisfaction of the conditions for authentication of Bonds set forth herein, the Trustee shall authenticate such Bonds, and deliver them upon the order of the Issuer to the purchasers thereof (or hold them on their behalf) upon the payment by the purchasers to the Trustee for the account of the Issuer of the purchase price therefor. Delivery by the Trustee shall be full acquittal to the purchasers for the purchase price of such Bonds, and such purchasers shall be under no obligation to see to the application thereof. The proceeds of the sale of such Bonds shall, however, be disposed of only as provided herein and in the related Supplemental Indenture.

(b) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder, unless and until a certificate of authentication on such Bond substantially in the form set forth in the Supplemental Indenture authorizing such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

(c) Prior to the authentication by the Trustee of each Series of Bonds there shall have been filed with the Trustee:

(i) A copy, duly certified by the City Recorder, of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds.

(ii) A copy, certified by the City Recorder, of the proceedings of the Issuer's Governing Body approving the execution and delivery of the instruments specified in Section 2.4(c)(i) herein and the execution and delivery of such Series of Bonds, together with a certificate, dated as of the date of authentication of such Series of Bonds, of the City Recorder that such proceedings are still in force and effect without amendments except as shown in such proceedings.

(iii) A request and authorization to the Trustee of the Issuer to authenticate such Series of Bonds in the aggregate principal amount therein specified and deliver them to purchasers therein identified upon payment to the Trustee, for account of the Issuer, of the sum specified therein.

(iv) An opinion of bond counsel dated the date of authentication of such Series of Bonds to the effect that (a) the Issuer has authorized the execution and delivery of this Indenture and this Indenture has been duly

executed and delivered by the Issuer and is a valid and binding and obligation of the Issuer; (b) this Indenture creates the valid pledge which it on the Net Revenues; and (c) the Bonds of such Series are valid and binding special obligations of the Issuer, entitled to the benefits and security hereof, provided that such opinion may contain limitations acceptable to the purchaser of such Series of Bonds.

(d) The Issuer may provide by Supplemental Indenture for the delivery to the Trustee of one or more Security Instruments (or may substitute one Security Instrument for another) with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith.

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

(f) The Issuer may authorize by Supplemental Indenture the issuance of Put Bonds; provided that any obligation of the Issuer to pay the purchase price of any such Put Bonds shall not be secured by a pledge of Revenues on a parity with the pledge contained in Section 6.2 hereof. The Issuer may provide for the appointment of such Remarketing Agents, indexing agents, tender agents or other agents as the Issuer may determine.

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

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

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

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

(h) The Issuer may provide for the execution of an Interest Rate Swap in connection with any Series of Bonds issued hereunder if so provided in the Supplemental Indenture. The obligation of the Issuer to pay Swap Payments may be secured with (a) a lien on the Net Revenues on a parity with the lien thereon of Debt Service on the related Bonds (as more fully described in Section 5.2 herein) and may be net of Swap Receipts or (b) a subordinate lien on the Net Revenues and may be net of Swap Receipts. Such obligations may also be secured by other legally available moneys of the Issuer, all as established in the Supplemental Indenture for the related Series of Bonds. Termination Payments may only be payable from and secured by Net Revenues after payment of all amounts then due pursuant to the Indenture.

Section 2.5 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, Series, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, or an affidavit of an officer of the Bondholder attesting to such loss, theft or destruction, together in all cases with indemnity satisfactory to the Trustee and the Issuer. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof upon compliance with the foregoing. The Trustee may charge the Registered Owner of such Bond with its reasonable fees and expenses in connection therewith. Any Bond issued pursuant to this Section 2.5 shall be deemed part of the Series of Bonds in respect of which it was issued and an original additional contractual obligation of the Issuer.

Section 2.6 Registration of Bonds; Persons Treated as Owners. The Issuer shall cause the books for the registration and for the transfer of the Bonds to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, provided, however, that the Issuer may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Upon the occurrence of an Event of Default which would require any Security Instrument Issuer to make payment under a Security Instrument Agreement, the Registrar shall make such registration books available to the Security Instrument Issuer. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, 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 Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the Corporate

Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series and the same maturity for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and the same maturity. The execution by the Issuer of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. Except as otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Issuer and the Trustee shall not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered on the registration books kept by the 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, and neither the Issuer, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of or on account of either principal of or interest on any Bond shall be made only to or upon order of the Registered Owner thereof or such person's legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Trustee shall require the payment by the Bondholder requesting exchange or transfer of Bonds of any tax or other governmental charge and by the Issuer of any service charge of the Trustee as Registrar which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 2.7 Redemption Provisions. The Term Bonds of each Series of Bonds shall be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if fewer than all Bonds of a Series are to be redeemed, the particular maturities of such Bonds to be redeemed and the Principal amounts of such maturities to be redeemed shall be selected by the Issuer. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in

accordance with Section 2.9 hereof, to be redeemed shall be selected by the Trustee randomly in such manner as the Trustee, in its discretion, may deem fair and appropriate.

Section 2.8 Notice of Redemption.

(a) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.8. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, notice of such redemption (i) shall be filed with the Paying Agent designated for the Bonds being redeemed; and (ii) shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(vii) the place where such Bonds are to be surrendered for payment, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, simultaneous with the mailed notice to Registered Owners, to the Municipal Securities Rulemaking Board and all registered securities depositories (as reasonably determined by the Trustee) then in

the business of holding substantial amounts of obligations of types comprising the Bonds. Such further notice shall contain the information required in clause (a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

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

(d) If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

(e) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date.

(f) Any notice mailed shall be conclusively presumed to have been duly given, whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

(g) In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Section 2.9 Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the related Supplemental Indenture, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Supplemental Indenture, a portion of any Bond of a denomination of more than the minimum denomination of such Series specified herein or in the related

Supplemental Indenture to be redeemed will be in the principal amount of such minimum denomination or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bonds by such minimum denomination.

Section 2.10 Cancellation. All Bonds which have been surrendered for payment, redemption or exchange, and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer, shall be canceled and cremated or otherwise destroyed by the Trustee and shall not be reissued; provided, however, that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the Registered Owner thereof.

Section 2.11 Nonpresentation of Bonds. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within five years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent permitted by law, repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Registered Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. The provisions of this Section 2.11 are subject to the provisions of Title 67, Chapter 4a, Utah Code Annotated 1953, as amended.

Section 2.12 Initial Bonds. Subject to the provisions hereof, the Initial Bonds may be authenticated and delivered by the Trustee upon satisfaction of the conditions specified in Section 2.4(c) hereof and any additional conditions specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.13 Issuance of Additional Bonds. No additional indebtedness, bonds or notes of the Issuer secured by a pledge of the Revenues senior to the pledge of Net Revenues for the payment of the Bonds and the Security Instrument Repayment Obligations herein authorized shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds and the Security Instrument Issuers. In addition, no Additional Bonds or other indebtedness, bonds or notes of the Issuer payable on a parity with the Bonds and the Security Instrument Repayment Obligations herein authorized out of Net Revenues shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default shall have occurred and be continuing hereunder on the date of authentication of any Additional Bonds. This Section 2.13(a) shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions hereof and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Net Revenues plus Other Available Funds for any Year, less any Direct Payments, for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds outstanding for said Year; and

provided, however, that such Net Revenue coverage test set forth in Subsection (b) above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued hereunder, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

(c) In the case of Additional Bonds issued to finance a Project, the Issuer shall have delivered to the Trustee a certificate from an Authorized Representative:

(i) setting forth the Estimated Net Revenues as herein described (assuming, if applicable, the completion of the Project, or any portion thereof, financed with proceeds of the Additional Bonds) either:

(A) for each of the two Bond Fund Years succeeding the latest estimated date of completion of the Project, or any portion thereof, if proceeds of the Additional Bonds are used to fund interest during the construction period, or

(B) if (A) is not the case, for the then current Bond Fund Year and each succeeding Bond Fund Year to and including the second Bond Fund Year succeeding the latest estimated date of completion of the Project, or any portion thereof; and

(ii) verifying that the Estimated Net Revenues as shown in (i) above for each of such Bond Fund Years, less any Direct Payments, plus Other Available Funds are not less than 125% of the Aggregate Annual Debt Service Requirement for each of such Bond Fund Years with respect to all of the Bonds and Additional Bonds which would then be Outstanding

(after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Additional Bonds so proposed to be issued.

For purposes of this Section 2.13(c), “Estimated Net Revenues” shall be determined by the Authorized Representative as follows:

(A) The total Net Revenues of the System for any Year in the 24 months immediately preceding the authentication and delivery of the Additional Bonds shall first be determined. For purposes of these calculations, Revenues may be adjusted to give full effect to rate increases implemented prior to the issuance of the Additional Bonds.

(B) Next, the additional Net Revenues, if any, resulting from the Project, or any portion thereof, financed with the proceeds of the Additional Bonds will be estimated by a Qualified Engineer for the applicable Bond Fund Years as determined in Section 2.13(c)(i)(A) or (B) above.

(C) The Estimated Net Revenues will be the sum of the Net Revenues as calculated in (A) above, less any Direct Payments, plus 80% of the estimated additional Net Revenues as calculated in (B) above.

(d) All payments required by this Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund (taking into account any Reserve Instrument coverage) the full amount required to be accumulated therein at the time of issuance of the Additional Bonds; and

(e) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued hereunder, or other obligations of the Issuer (including the funding of necessary reserves and the payment of costs of issuance) and/or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

Section 2.14 Form of Bonds. The Bonds of each Series and the Trustee’s Authentication Certificate shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations as may be necessary, desirable, authorized and permitted hereby.

Section 2.15 Covenant Against Creating or Permitting Liens. Except for the pledge of Net Revenues to secure payment of the Bonds and other Repayment Obligations hereunder, the Net Revenues are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained herein shall prevent the Issuer from issuing, if and to the extent permitted by law,

indebtedness having a lien on Net Revenues subordinate to that of the Bonds and Repayment Obligations.

Section 2.16 Perfection of Security Interest. (a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Net Revenues.

ARTICLE III

CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee a separate account within the Acquisition/Construction Fund for each Project to be designated by the name of the applicable Project or Series of Bonds and, if applicable, a separate account for each Series of Bonds and for all grant moneys or other moneys to be received by the Issuer for deposit in the Acquisition/Construction Fund.

Section 3.2 Creation of Revenue Fund. The Issuer shall create and establish with the Issuer the Revenue Fund. For accounting purposes, the Revenue Fund may be redesignated by different account names by the Issuer from time to time.

Section 3.3 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.4 Creation of Sinking Fund Account. There is hereby created and ordered established in the custody of the Trustee as a separate account within the Bond Fund the Sinking Fund Account.

Section 3.5 Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee the Debt Service Reserve Fund.

Section 3.6 Creation of Reserve Instrument Fund. There is hereby created and ordered established in the custody of the Trustee the Reserve Instrument Fund.

Section 3.7 Creation of Repair and Replacement Fund. There is hereby created and ordered established in the custody of the Issuer the Repair and Replacement Fund.

Section 3.8 Creation of Rebate Fund. There is hereby created and ordered established in the custody of the Trustee the Rebate Fund.

Section 3.9 Creation of Rate Stabilization Fund. There is hereby created and ordered established in the custody of the Issuer the Rate Stabilization Fund. For accounting purposes, the Rate Stabilization Fund may be redesignated by different account name by the Issuer from time to time.

Section 3.10 Creation of Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article III until such funds or accounts shall be utilized as provided in a Supplemental Indenture. The Issuer may, by Supplemental Indenture, authorize the creation of additional funds and additional accounts within any funds the Trustee may create.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Upon the issuance of each Series of Bonds, the proceeds thereof shall be deposited as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE V

USE OF FUNDS

Section 5.1 Use of Acquisition/Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Acquisition/Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Acquisition/Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit A 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 a Project 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 applicable account in the Acquisition/Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the

application of any payments from the Acquisition/Construction Fund or to inquire into the purposes for which disbursements are being made from the Acquisition/Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate executed by an Authorized Representative of the Issuer stating:

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

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event 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 Section 5.1(c) herein shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee 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 each account within the Acquisition/Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.1, any balance remaining in the applicable account in the Acquisition/Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to be applied, (i) toward the redemption of the Series of Bonds issued to finance such Project or (ii) to pay principal and/or interest next falling due with respect to such Series of Bonds.

Section 5.2 Application of Revenues.

(a) Unless otherwise provided herein, all Revenues shall be deposited in the Revenue Fund and shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(b) As a first charge and lien on the Revenues, the Issuer shall cause to be paid from the Revenue Fund from time to time as the Issuer shall determine, all

Operation and Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.

(c) So long as any Bonds are Outstanding hereunder, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, (i.e., the Net Revenues), such Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) shall be applied on or before the fifteenth day of each month as follows:

(i) approximately one-sixth (or one-twelfth in the event that the Supplemental Indenture provides that interest on the Bonds authorized thereunder is payable annually instead of semiannually) of the interest falling due on the Bonds on the next succeeding interest payment date established for the Bonds; provided, however, that in the event that less than six (or twelve, if applicable) months will transpire prior to the first interest payment date following the issuance of a Series of Bonds, the Issuer shall transfer an amount equal to a fraction the numerator of which is one and the denominator of which is the number of full months to transpire prior to such Interest Payment Date times the amount of interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds; plus

(ii) approximately one-twelfth of the principal and premium and Sinking Fund Installments, if any, falling due on the next succeeding interest payment date established for the Bonds on which principal is due; provided, however, that in the event principal on a Series of Bonds is due on the first Interest Payment Date following the issuance of such Series, the Issuer shall deposit an amount equal to a fraction the numerator of which is one and the denominator of which is the number of full months to transpire prior to such Interest Payment Date times the amount of principal and premium and Sinking Fund Installment, if any, due on such Interest Payment Date;

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

(In lieu of monthly payments, a Supplemental Indenture may provide for semiannual payments to the Bond Fund, in which case the date of payment to the Trustee of an amount equal to the principal of, premium, if any, and interest falling due on the Bonds on the next succeeding Interest Payment Date shall not be less than fifteen days prior to said Interest Payment Date.)

(d) As a third charge and lien on the Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) (on a parity basis), the Issuer

shall make the following transfers to the Trustee on or before the fifteenth day of each month of each year:

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required hereby, and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided herein, and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund, or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the Issuer shall deposit Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(ii) hereof) of remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) if less than the amount necessary; and

(ii) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of such month, such amount of the remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(i) hereof) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument.

(e) As a fourth charge and lien on the Net Revenues (and, if applicable any amounts on deposit in the Rate Stabilization Fund), the Issuer shall deposit in the Repair and Replacement Fund any amount required hereby and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding (or, after the issuance of Additional Bonds, the amount required to be on deposit therein), from time to time, the Issuer shall deposit to the Repair and Replacement Fund from the Revenue Fund all

remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System after payments required by Sections 5.2(b), 5.2(c) and 5.2(d) herein have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. Subject to the provisions of Section 5.2(f) herein, this provision is not intended to limit, and shall not limit, the right of the Issuer to deposit additional moneys in the Repair and Replacement Fund from time to time as the Issuer may determine.

(f) Subject to making the foregoing deposits, the Issuer may use the balance of the Net Revenues accounted for in the Revenue Fund for any of the following:

- (i) redemption of Bonds;
- (ii) refinancing, refunding, or advance refunding of any Bonds;
- (iii) for transfer to the Rate Stabilization Fund; or
- (iv) for any other lawful purpose.

Section 5.3 Use of Bond Fund. The Issuer may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

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

- (i) accrued interest received upon the issuance of any Series of Bonds;
- (ii) all moneys payable by the Issuer as specified in Section 5.2(c) hereof;
- (iii) any amount in the Acquisition/Construction Fund to the extent required by or directed pursuant to Section 5.1(f) hereof upon completion of a Project;
- (iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in Section 5.5 hereof; 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 Section 7.4 hereof and as provided in this Section 5.3 and except as otherwise provided by Supplemental Indenture, moneys

in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

- (i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;
- (ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and
- (iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

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

(c) After payment in full of the Principal of and interest on (1) all Bonds issued hereunder (or after provision has been made for the payment thereof as provided herein so that such Bonds are no longer Outstanding); (2) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms; and (3) the fees, charges and expenses of the Trustee, the Paying Agent and any other amounts required to be paid hereunder or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement; all amounts remaining in the Bond Fund shall be paid to the Issuer.

Section 5.4 Use of Sinking Fund Account.

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant hereto, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the principal of such Term Bonds.

Section 5.5 Use of Debt Service Reserve Fund. Except as otherwise provided in this Section 5.5 and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall either be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof, (ii) deposited from available Net Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section 5.5, the Issuer is required, pursuant to Section 5.2(d) hereof and the provisions of any Supplemental Indenture, to make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in Section 5.2(d)(ii) herein.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds are Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once each year.

Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

The Issuer may, upon obtaining approving opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Section 5.6 Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

Section 5.7 Use of Repair and Replacement Fund. All moneys in the Repair and Replacement Fund may be drawn on and used by the Issuer for the purpose of (a) paying the cost of unusual or extraordinary maintenance or repairs of the System; (b) paying the costs of any renewals, renovation, improvements, expansion or replacements to the System; and (c) paying the cost of any replacement of buildings, lines, equipment and other related facilities, to the extent the same are not paid as part of the ordinary and normal expense of the operation of the System.

Funds shall be deposited monthly from available Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such amounts as may be required from time to time by each Supplemental Indenture until the Repair and Replacement Fund has an amount equivalent to the Repair and Replacement Requirement. Any deficiencies below the Repair and Replacement Requirement shall be made up from Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System available for such purposes. Funds at any time on deposit in the Repair and Replacement Fund in excess of the amount required to be maintained therein may, at any time, be used by the Issuer for any lawful purpose.

Section 5.8 Use of Rebate Fund.

(a) If it becomes necessary for the Issuer to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds which are subject to said rebate requirements are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Indenture 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 Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for one or more Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by the determination report, be paid by the Trustee to the Issuer.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of 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 Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. 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 Indenture must be verified in writing by an independent public accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations and certifications required by this Section 5.8 and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations and certifications required by this Section 5.8.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 5.8. 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 Indenture) 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 provisions of this Section 5.8 may be amended or deleted without Bondowner consent or notice, 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 excludability from gross income of interest on the Bonds or the status of the Bonds as entitled to Direct Payments, if applicable.

Section 5.9 Investment of Funds. Any moneys in the Bond Fund, the Acquisition/Construction Fund, the Reserve Instrument Fund, the Rebate Fund or the Debt Service Reserve Fund shall, at the discretion and written authorization of the Issuer's Authorized Representative, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Acquisition/Construction Fund, Bond Fund, the Reserve Instrument Fund and Rebate 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 hereof. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section 5.9. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

The Trustee may, to the extent permitted by the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, make any and all investments permitted by the provisions of the Indenture through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

The Issuer may invest the amounts on deposit in the Repair and Replacement Fund as permitted by applicable law.

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, or any Series thereof, being considered “arbitrage bonds” within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the excludability of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Issuer may require in writing 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 and the Trustee agrees that it will take all such steps as the Issuer may require.

Section 5.10 Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture 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 hereof, 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 of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 5.11 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at market, 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 Fund, whereupon securities shall be valued immediately after such withdrawal.

Section 5.12 Use of Rate Stabilization Fund. The Issuer may create and maintain the Rate Stabilization Fund as a separate fund of the Issuer. The Rate Stabilization Fund may be funded by the Issuer from any legally available funds of the Issuer and/or may be funded by the Issuer from amounts transferred from the Revenue Fund as provided in Section 5.2(f)(iii). The Issuer may, from time to time, designate all or a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Funds (as described in the definition thereof). Except for amounts designated as provided in the immediately preceding sentence (for the year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the Issuer for any lawful purpose. To the extent that amounts on deposit in the Revenue Fund are insufficient in any year for any of the purposes thereof the Issuer covenants that, to the extent amounts are on deposit in the Rate Stabilization Fund, to transfer amounts from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency.

ARTICLE VI
GENERAL COVENANTS

Section 6.1 General Covenants. The Issuer hereby covenants and agrees with each and every Registered Owner of the Bonds issued hereunder, Security Instrument Issuer and Reserve Instrument Provider as follows:

(a) While any of the principal of and interest on the Bonds are outstanding and unpaid, or any Repayment Obligations are outstanding, any resolution or other enactment of the Governing Body of the Issuer, applying the Net Revenues for the payment of the Bonds and the Repayment Obligations shall be irrevocable until the Bonds and/or any Repayment Obligations have been paid in full as to both principal and interest, and is not subject to amendment in any manner which would impair the rights of the holders of those Bonds or the Repayment Obligations which would in any way jeopardize the timely payment of principal or interest when due. Furthermore, the rates, for all services supplied by the System to the Issuer and to its inhabitants and to all rate payers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year which when added to the Other Available Funds for such year (less Direct Payments) shall equal not less than 125% of the Aggregate Annual Debt Service Requirement for such year, plus an amount sufficient to fund the Debt Service Reserve Fund for the Bonds in the time, rate and manner specified herein; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free service, and such rates shall be charged against all users of the System, including the Issuer. The Issuer agrees that should its annual financial statement made in accordance with the provisions of Section 6.1(d) disclose that during the period covered by such financial statement the Net Revenues and Other Available Funds were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer, independent accountant, or other independent financial consultant make recommendations as to the revision of the rates, charges and fees and that the Issuer on the basis of such recommendations will revise the schedule of rates, charges and fees and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues and Other Available Funds as herein required.

(b) The Issuer will maintain the System in good condition and operate the same in an efficient manner.

(c) Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider shall have a right, in addition to all other rights afforded it by the laws of the State, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge or collect reasonable rates for services supplied by the System sufficient to meet all requirements hereof and of any applicable Reserve Instrument Agreement.

(d) So long as any principal and interest payments of the Bonds are Outstanding, or any Repayment Obligations are outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Net Revenues and the System, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider.

All expenses incurred in compiling the information required by this Section 6.1 shall be regarded and paid as an Operation and Maintenance Expense.

Section 6.2 Lien of Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Net Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Net Revenues, or (iii) Funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 6.3 Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Net Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which Net Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement or any Reserve

Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Section 6.4 Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained herein, and in any and every Bond, Security Instrument Agreement and Reserve Instrument Agreement. The Issuer represents that it is duly authorized under the Constitution of the State to issue the Bonds authorized hereby and to execute this Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 6.5 List of Bondholders. The Trustee will keep on file at its Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in Principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 6.6 Designation of Additional Paying Agents. The Issuer hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder, but only to the extent such funds are made available to the Issuer from Bond proceeds or other Funds created hereunder or the income from the temporary investment thereof, for the payment of such of the Bonds as shall be presented when due at the Corporate Trust Office of the Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate Paying Agents.

Section 6.7 Tax Exemption of Bonds and Direct Payments. The Issuer recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon is excluded from gross income for federal income tax purposes under laws in force at the time the bonds are delivered. Bonds issued pursuant to this Indenture, the interest on which is excludable from gross income for federal income tax purposes, are referred to in this Section 6.7 as “tax-exempt Bonds.” Pursuant to the provisions thereof, the Issuer agrees that it will not take any action to permit tax-exempt Bonds issued hereunder to be issued in, or converted into, bearer or coupon form, unless the Issuer first receives an opinion from nationally recognized bond counsel that such action will not result in the interest on any Bonds becoming includible in gross income for purposes of federal income taxes then in effect.

The Issuer’s Mayor and City Recorder are hereby authorized and directed to execute such certificates as shall be necessary to establish that tax-exempt Bonds or entitled to Direct Payments issued hereunder are not “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, including

Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners of such Bonds that no use will be made of the proceeds of the issue and sale of such Bonds, or any funds or accounts of the Issuer which may be deemed to be available proceeds of such Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such Bonds, would have caused the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of such Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

The Issuer further covenants and agrees to and for the benefit of the Registered Owners that the Issuer (i) will not take any action that would cause interest on tax-exempt Bonds issued hereunder to become includible in gross income for purposes of federal income taxation, (ii) will not take any action that would jeopardize the Direct Payments on Bonds issued under this Indenture, (iii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax-exempt Bonds to become includible in gross income for purposes of federal income taxation, (iv) will not omit to take or cause to be taken, in timely manner, any action, which omission would jeopardize the Direct Payments on Bonds issued under this Indenture and (v) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the excludability from gross income for purposes of federal income taxation of interest on tax-exempt Bonds and the Direct Payments on any Direct Payment Bonds issued under this Indenture.

Section 6.8 Expeditious Construction. The Issuer shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Section 6.9 Management of System. The Issuer, in order to assure the efficient management and operation of the System and to assure each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

Section 6.10 Use of Legally Available Moneys. Notwithstanding any other provisions hereof, nothing herein shall be construed to prevent the Issuer from (i) paying all or any part of the Operation and Maintenance Expenses from any funds available to the Issuer for such purpose, (ii) depositing any funds available to the Issuer for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the principal of any Bonds issued under provisions hereof or for the redemption of any such Bonds, or (iii) depositing any funds available to the Issuer for such purpose in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Section 6.11 Payment of Taxes and Other Charges. The Issuer covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon the System or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon the System or any part thereof or upon any Revenues thereof, except for the lien and charge thereon created hereunder and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the lien of the parity lien thereon of Additional Bonds issued from time to time hereunder and under Supplemental Indentures hereto), and that all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon the Revenues thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; provided, however, that nothing in this Section 6.11 shall require any such lien or charge to be paid or discharged or provision made therefor so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Section 6.12 Insurance. The Issuer, in its operation of the System, will self-insure or carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Bond Fund.

Section 6.13 Instruments of Further Assurance. The Issuer and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, or upon the request of a Security Instrument Issuer or a Reserve Instrument Provider, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or any official thereof.

Section 6.14 Covenant Not to Sell. The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all principal of and interest on the Bonds, and all Repayment Obligations, have been paid in full, except as follows:

- (a) The Issuer may sell any portion of said property which shall have been replaced by other property of like kind and of at least equal value. The Issuer may sell, lease, abandon, mortgage, or otherwise dispose of any portion of the property which shall cease to be necessary for the efficient operation of the System the disposition of which will not, as reasonably determined by the governing body of the Issuer, result in a material reduction in Net Revenues in any year; and the value of which, as reasonably determined by the governing body of the Issuer

(together with any other property similarly disposed of within the 12 calendar months preceding the proposed disposition) does not exceed 10% of the value of the System assets, provided, however, that in the event of any sale or lease as aforesaid, the proceeds of such sale or lease not needed to acquire other System property shall be paid into the Bond Fund.

(b) The Issuer may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right does not impede the operation of the System; and any payment received by the Issuer under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues.

Section 6.15 Billing Procedure. The Issuer shall submit a monthly billing for services rendered to persons who are liable for the payment of charges for such services, and shall require that each such bill be paid in full as a unit, and refuse to permit payment of a portion without payment of the remainder. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all [water service] to the user concerned to be cut off immediately.

Section 6.16 Annual Budget. Prior to the beginning of each Fiscal Year the Issuer shall prepare and adopt a budget for the System for the next ensuing Fiscal Year. At the end of the first six months of each Fiscal Year, the Issuer shall review its budget for such Fiscal Year, and in the event actual Revenues, Operation and Maintenance Expenses or other requirements do not substantially correspond with such budget, the Issuer shall prepare an amended budget for the remainder of such Fiscal Year. The Issuer also may adopt at any time an amended budget for the remainder of the then current Fiscal Year.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.1 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, in the reasonable opinion of any Registered Owner of not less than 50% in aggregate principal amount of the Bonds then Outstanding hereunder, for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or

(e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, or herein or any Supplemental Indenture hereof on the part of the Issuer to be performed, other than as set forth above in this Section 7.1, and such Default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding hereunder; or

(j) any event specified in a Supplemental Indenture as constituting an Event of Default.

Section 7.2 Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to Section 8.1 hereof, may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and if indemnified as provided in Section 8.1 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 7.2 as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

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, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.3 Right of Registered Owners to Direct Proceedings. Anything herein to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken 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 Indenture.

Section 7.4 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee and any other outstanding fees and expenses of the Trustee relating to its duties under this Indenture, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund 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 and the Security Instrument Repayment Obligations 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 persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, 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 persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons 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), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, 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 and Security Instrument Repayment Obligations, 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 or Security Instrument

Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee 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 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 7.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Section 7.6 Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section 7.6, no Registered Owner of any Bond or Security Instrument Issuer 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 of which the Trustee has been notified as provided in Section 8.1(g), or of which by said Section it is deemed to have notice, nor unless also Registered Owners of 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right

in any manner whatsoever to affect, disturb or prejudice the lien hereof by its 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 Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer 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 Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7 Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer 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, the Registered Owner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8 Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due, 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 and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, 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, the Registered Owners and the Security Instrument Issuers 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.

Section 7.9 Cooperation of Issuer. In the case of any Event of Default hereunder, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Registered Owners, Reserve Instrument Providers and the Security Instrument Issuers.

ARTICLE VIII

THE TRUSTEE

Section 8.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture 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 and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care 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 (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements 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. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(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 an Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 8.1(g) herein, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative 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 gross 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 an Event of Default described in Section 7.1(a) or (b), unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate principal amount of any Series 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 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) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) All moneys received by the Trustee or any 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 any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, 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.

(m) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers, pursuant to the provisions of this Indenture, unless such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers shall have offered to the Trustee security or indemnity acceptable to the Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

(n) The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers.

Section 8.2 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. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this Section 8.2 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.3 Notice to Registered Owners if Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 8.1(g) hereof required to take notice

or if notice of an Event of Default be given to the Trustee as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail or sent by facsimile to all Security Instrument Issuers or to Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds, as applicable.

Section 8.4 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 8.4 are subject to the approval of a court of competent jurisdiction.

Section 8.5 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 8.6 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 or certified mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee by the Registered Owners or by the Issuer as provided in Section 8.8 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 8.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of a majority in aggregate Principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 8.8 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, if an Event of Default exists, 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 an Authorized Representative 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 8.8 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.

Each Reserve Instrument Provider and Security Instrument Issuer shall be notified by the Issuer immediately upon the resignation or termination of the Trustee and provided with a list of candidates for the office of successor Trustee.

Section 8.9 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 VIII shall be filed or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed and/or recorded.

Section 8.10 Trustee Protected in Relying Upon Indenture, Etc. The indentures, 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 8.11 Successor Trustee as 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 hereunder and Registrar for the Bonds and

Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 8.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture 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, and in particular in case of the enforcement of remedies on Event of Default, 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 8.12 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 8.13 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, and to each Reserve Instrument Provider requesting the same. 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 concerning the transactions described herein that were delivered by the Trustee during the Bond Fund Year just ended.

Section 8.14 Indemnification. To the extent permitted by law and subject to the provisions of Section 8.1(a) of this Indenture, the Issuer shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct. The indemnification provided to the Trustee under this Section 8.14 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.15 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, 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 Indenture, 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 Indenture.

Section 8.16 Direct Payment Authorization. The Issuer hereby authorizes and directs the Trustee to take all necessary actions, if applicable, to effectively carry out the duties required to apply for and accept Direct Payments from the Internal Revenue Service on behalf of the Issuer under Sections 54AA and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized, including, but not limited to, filing and signing IRS Form 8038-CP, receiving the Direct Payment on the Issuer's behalf, and using such Direct Payment to pay Debt Service on the Bonds. For fixed rate bonds, the Trustee shall file the 8038-CP at least 60 days (but not more than 90 days) before the relevant Interest Payment Date (unless otherwise directed by a change in regulations). For variable rate bonds, the Trustee shall file the 8038-CP for reimbursements in arrears within 25 days after the last Interest Payment Date within the quarterly period for which reimbursement is being requested (unless otherwise directed by a change in regulations). The Issuer hereby covenants that it will deposit the Direct Payments with the Trustee for use in paying Debt Service on the Bonds.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers. The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners, Reserve Instrument Providers or Security Instrument Issuers, enter into an indenture or indentures supplemental hereto, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.13 hereof;
- (b) To cure any ambiguity or formal defect or omission herein;

(c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;

(d) To subject to this Indenture additional Revenues or other revenues, properties, collateral or security;

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

(f) To make any change which shall not materially adversely affect (determined as if there were no Security Instrument in place) the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuers or any Reserve Instrument Provider, requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

(g) To make any change necessary (A) to establish or maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (B) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America or (C) to establish or maintain the Direct Payments related to any Series of Bonds;

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

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

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such

Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project, (2) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds and (3) a certificate of the Issuer to the effect that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture; and

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

Section 9.2 Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section 9.2, and not otherwise, the Registered Owners 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 and the Trustee of such other indenture or indentures supplemental hereto 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 Indenture, 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 indenture supplemental hereto; provided, however, that nothing in this Section 9.2 contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption 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 Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the Registered Owners 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 Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement hereto shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in Section 9.1 hereof, neither this Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee, shall, upon

being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 2.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Corporate Trust Office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Issuer may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than 66 2/3% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as is in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 9.3 Opinion of Counsel as to Supplemental Indenture. In executing any Supplemental Indenture, the Trustee shall receive and will be fully protected in conclusively relying upon an opinion of counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture and is the legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms.

ARTICLE X

DISCHARGE OF INDENTURE

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 Registered Owners 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 Trustee all sums of moneys due or to become due according to the provisions hereof, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien hereof, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien hereof, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of this Article X 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 or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent 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 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 Direct Obligations.

Any discharge of the lien of the Indenture shall also be subject to any applicable terms of a related Supplemental Indenture.

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 given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

- (a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);
- (b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to the provisions of this Indenture; and
- (c) if the Bonds to be redeemed will not be redeemed within 90 days of such deposit, directing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this Article X has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article X 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 as specified in Subparagraph (a) above.

Any moneys so deposited with the Trustee as provided in this Article X may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Direct Obligations in the hands of the Trustee pursuant to this Article X 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 certified public accountant that the moneys remaining on deposit with the Trustee and invested in Direct 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 X, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of this Article X 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 Direct Obligations have been so set aside in trust.

Anything in Article IX hereof to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to this Article X 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 X shall be made without the consent of the Registered Owner of each Bond affected thereby.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection or other instrument required hereby to be executed by the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution. The amount of Bonds held by any person executing such instrument as a Registered Owner of Bonds and the fact, amount and numbers of the Bonds held by such person and the date of his holding the same shall be proved by the registration books of the Trustee.

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto,

the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and the Reserve Instrument Providers as herein provided.

Section 11.3 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.4 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer if the same shall be duly mailed by registered or certified mail or sent by facsimile addressed as to it at 100 North State Street, Lindon, Utah 84042, Attention: Mayor, or to such address as the Issuer may from time to time file with the Trustee. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail or sent by facsimile addressed to it at [_____, _____], Attention: Corporate Trust Department, or to such other address as the Trustee may from time to time file with the Issuer.

Section 11.5 Trustee as Paying Agent and Registrar. Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.6 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Applicable Law. THIS INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE.

Section 11.8 Immunity of Officers and Directors. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein contained against any past, present or future officer, or other public official, employee, or agent of the Issuer.

Section 11.9 Holidays. If any date for the payment of principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first Business Day thereafter and no interest shall accrue for the period between such date and such first Business Day thereafter.

Section 11.10 Effective Date. This Indenture shall become effective immediately.

Section 11.11 Compliance with Act. It is hereby declared by the Issuer's Governing Body that it is the intention of the Issuer by the execution of this Indenture to comply in all respects with the provisions of the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

LINDON CITY, UTAH, as Issuer

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

_____, as Trustee

By: _____

Title: _____

EXHIBIT A

FORM OF REQUISITION

Re: Lindon City, Utah, Sewer Revenue Bonds, _____ in the sum of
\$ _____

[TRUSTEE]
[ADDRESS]

You are hereby authorized to disburse from the Series _____ Account of the Acquisition/Construction Fund with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT: \$ _____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: _____

Each obligation, item of cost, or expense mentioned herein has been properly incurred, is a proper charge against the Series _____ Account of the Acquisition/Construction Fund based upon audited, itemized claims substantiated in support thereof (evidence of such support not herein required by the Trustee), is justly due and owing and constitutes a Cost of a Project and has not been the basis for a previous withdrawal.

The amount remaining in the Series _____ Account of the Acquisition/Construction Fund after such disbursement is made, together with the amount of unencumbered Net Revenues, if any, which the Issuer reasonably estimates will be deposited in the Series _____ Account of the Acquisition/Construction Fund during the period of construction of the Project from the investment of moneys on deposit in the Series _____ Account of the Acquisition/Construction Fund, will, together with any

other moneys lawfully available or expected to be lawfully available for payment of the Cost of the Project and after payment of the amount requested in said requisition, be sufficient to pay the Cost of Completion for the Project in accordance with the plans and specifications therefor then in effect; it being understood that no moneys from the Series _____ Account of the Acquisition/Construction Fund may be expended unless, after giving effect thereto, the funds remaining in the Series _____ Account of the Acquisition/Construction Fund, together with such other funds and income and lawfully available moneys, are sufficient to pay the Cost of Completion for the Project.

DATED: _____

By: _____

Its: _____

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of _____, 2017

by and between

LINDON CITY, UTAH

and

_____,
as TrusteeSupplementing the
General Indenture of Trust

Dated as of _____, 2017

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FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of _____, 2017, by and between Lindon City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the “Issuer”) and _____, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah (the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of _____, 2017 (the “General Indenture”) with the Trustee; and

WHEREAS, the Issuer desires to issue a series of bonds in order to finance improvements and additions to its waste water/sewer system (the “System”) as hereinafter set forth; and

WHEREAS in order to (i) finance _____ and other improvements to the System (collectively, the “Series 2017 Project”), [(ii) fund a debt service reserve fund,] and (iii) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Sewer Revenue Bonds, Series 2017 in the aggregate principal amount of \$ _____ (the “Series 2017 Bonds”); and

WHEREAS, the Series 2017 Bonds will be authorized, issued and secured under the General Indenture, as amended and supplemented by this First Supplemental Indenture (the “First Supplemental Indenture,” and collectively with the General Indenture, and any amendments thereto or hereto, the “Indenture”); and

WHEREAS, the execution and delivery of the Series 2017 Bonds and of this First Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2017 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this First Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2017 Bonds and all other Bonds Outstanding and Additional Bonds issued and Outstanding under the Indenture, the payment of the principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds, to secure the Security Instrument Issuers of Security Instruments for any Bonds, and of all Reserve Instrument Providers of Reserve Instruments for any Bonds, and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time and the issuance of the Reserve Instrument by the Reserve Instrument Provider, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer has executed and delivered this First Supplemental Indenture of Trust, and by these presents does, in confirmation of the General Indenture, as amended and supplemented, hereby sell, assign,

transfer, set over and pledge unto _____, as Trustee, its successors in trusts and its assigns forever, to the extent provided in the General Indenture, as amended and supplemented, all right, title and interest of the Issuer in and to (i) the Net Revenues (as defined in the General Indenture), (ii) all moneys in funds and accounts held by the Trustee under the General Indenture and hereunder (except the Rebate Fund), and (iii) all other rights granted under the General Indenture and hereinafter granted for the further securing of such Bonds.

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

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

ARTICLE I

SUPPLEMENTAL INDENTURE; DEFINITIONS

Section 1.1. Supplemental Indenture. This First Supplemental Indenture is supplemental to, and is executed in accordance with and pursuant to Articles II and IX of the General Indenture.

Section 1.2. Definitions. All terms which are defined in the General Indenture, shall have the meanings, respectively, when used herein (including the use thereof in the recitals and the granting clauses thereof) unless expressly given a different meaning or unless the context clearly otherwise requires. All terms used herein which are defined in the recitals hereto shall have the meanings therein given to the same unless the context requires otherwise and, in addition, the following terms shall have the meanings specified below:

["Cede" means Cede & Co. and any substitute nominee of DTC who becomes the registered Bondholder.]

"Dated Date" means the date of delivery of the Series 2017 Bonds.

["DTC" means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York.]

"Interest Payment Date" means, with respect to the Series 2017 Bonds, each _____ and _____, commencing _____, 2017.

“Purchaser” means _____, as purchaser of the Series 2017 Bonds pursuant to a Bond Purchase Agreement dated _____, 2017, by and between the Purchaser and the Issuer.

“Series 2017 Acquisition/Construction Account” means the account established within the Acquisition/Construction Fund under the General Indenture held in trust by the Trustee, into which a portion of the proceeds of the Series 2017 Bonds shall be deposited as provided herein.

“Series 2017 Bonds” means the Lindon City, Utah Sewer Revenue Bonds, Series 2017 authorized herein.

“Series 2017 Debt Service Reserve Account” means the account established within the Debt Service Reserve Fund under the General Indenture held in trust by the Trustee.

“Series 2017 Debt Service Reserve Requirement” means, with respect to the Series 2017 Bonds, an amount equal to \$_____.

“Series 2017 Project” means the _____ and other improvements to the System.

ARTICLE II

ISSUANCE OF THE SERIES 2017 BONDS

Section 2.1. Principal Amount, Designation and Series. The Series 2017 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Series 2017 Project and (ii) pay costs incurred in connection with the issuance of the Series 2017 Bonds. The Series 2017 Bonds shall be limited to \$_____ in aggregate principal amount, shall be issued in fully registered form, shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof, and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Series 2017 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, “Sewer Revenue Bonds, Series 2017.”

Section 2.2. Date, Maturities and Interest. The Series 2017 Bonds shall be dated as of the Dated Date, and shall mature in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Dated Date or unless, as shown by the records of the Trustee, interest on the Series 2017 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Dated Date, payable on each Interest Payment Date at the rates per annum as set forth below:

Maturity (_____)	<u>Principal Amount</u>	<u>Interest Rate</u>
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2029		
2031		
2032		
2033		

Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3. [Optional Redemption]. [The Series 2017 Bonds maturing on or before _____, are not subject to redemption prior to maturity. The Series 2017 Bonds maturing on or after _____ are subject to redemption prior to maturity in whole or in part at the option of the Issuer on _____, or on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Issuer at a redemption price equal to 100% of the principal amount of the Series 2017 Bonds to be redeemed plus accrued interest, if any, thereon to the date of redemption.]

Section 2.4. [Mandatory Sinking Fund Redemption]. [The Series 2017 Bonds maturing on _____ are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund
Redemption Date
(_____)

Mandatory Sinking Fund
Redemption Amount

* Final Maturity Date

Upon redemption of any Series 2017 Bonds maturing on _____, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the respective Series 2017 Bonds

maturing on _____, as applicable, in such order of mandatory sinking fund date as shall be directed by the Issuer.]

Section 2.5. Execution of Bonds. The Mayor is hereby authorized to execute by facsimile or manual signature the Series 2017 Bonds and the City Recorder to countersign and attest by facsimile or manual signature the Series 2017 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2017 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2017 Bonds.

Section 2.6. Delivery of Bonds. It is hereby determined that the Series 2017 Bonds shall be authenticated and delivered to the Purchaser upon compliance with the General Indenture and payment of the purchase price thereof.

Section 2.7. Designation of Registrar. The Trustee is hereby designated as Registrar for the Series 2017 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Registrar.

Section 2.8. Designation of Paying Agent. The Trustee is hereby designated as Paying Agent for the Series 2017 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Paying Agent.

Section 2.9. [Book-Entry System]. [(a) Except as provided in paragraphs (b) and (c) of this Section 2.9 the Registered Owner of all Series 2017 Bonds shall be, and the Series 2017 Bonds shall be registered in the name of Cede & Co., 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 the interest on any Series 2017 Bond shall be made in accordance with the provisions of this First Supplemental Indenture to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Bond Registrar.

(b) The Series 2017 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 Series 2017 Bonds. Upon initial issuance, the ownership of each such Series 2017 Bond shall be registered in the registration books of the Issuer kept by the Registrar, in the name of Cede, as nominee of DTC. With respect to Series 2017 Bonds so registered in the name of Cede, the Issuer, Registrar and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of any of such Series 2017 Bonds. Without limiting the immediately preceding sentence, the Issuer, 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 Series 2017 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2017 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 Series

2017 Bonds. The Issuer, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, absolute owner of each Series 2017 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2017 Bond, (2) giving notices of redemption and other matters with respect to such Series 2017 Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2017 Bonds are registered in the name of CEDE & Co., the Paying Agent shall pay the principal or redemption price of, and interest on, all Series 2017 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 First Supplemental Indenture. Upon delivery by DTC to the 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 First Supplemental Indenture, the word "Cede" in this First Supplemental Indenture shall refer to such new nominee of DTC.

(c) Except as provided in paragraph (c)(iii) of this Section 2.9, and notwithstanding any other provisions of this First Supplemental Indenture, the Series 2017 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.

(a) (i) DTC may determine to discontinue providing its services with respect to the Series 2017 Bonds at any time by giving written notice to the Issuer, the Registrar, and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Series 2017 Bonds under applicable law.

(ii) The Issuer, in its sole discretion and without the consent of any other person, may, by notice to the Registrar, terminate the services of DTC with respect to the Series 2017 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 Series 2017 Bonds or the Issuer; and the Issuer shall, by notice to the Registrar, terminate the services of DTC with respect to the Series 2017 Bonds upon receipt by the Issuer, the 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 Series 2017 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2017 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2017 Bonds be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owners of the Series 2017 Bonds.

(i) Upon the termination of the services of DTC with respect to the Series 2017 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2017 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 Series 2017 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. In such event, the Issuer shall execute and the Registrar shall authenticate Series 2017 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 Series 2017 Bonds.

(ii) Notwithstanding any other provision of this First Supplemental Indenture to the contrary, so long as any Series 2017 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 Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, to DTC.

(iii) In connection with any notice or other communication to be provided to Holders of Series 2017 Bonds registered in the name of Cede pursuant to this Second Supplemental Indenture by the Issuer or the 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.]

Section 2.10. Limited Obligation. The Series 2017 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Series 2017 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

Section 2.11. Bank Designation of Series 2017 Bonds. For purposes of and in accordance with Section 265 of the Code, the Issuer has designated the Series 2017 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2017 will not exceed \$10,000,000. For purposes of this Section, "aggregated issuer" means any entity which, (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is directly or indirectly controlled by the Issuer within the meaning of Treasury Regulation Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and

does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer, and all aggregated issuers for calendar year 2017 does not exceed \$10,000,000.

Section 2.12. Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Series 2017 Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Net Revenues.

Section 2.13. Series 2017 Bonds as Initial Bonds. The Series 2017 Bonds are issued as the Initial Bonds under the General Indenture.

ARTICLE III

APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1. Creation of Series 2017 Accounts. There is hereby established with the Trustee [(i) a Series 2017 Account within the Debt Service Reserve Fund] and (ii) a Series 2017 Account within the Acquisition/Construction Fund.

Section 3.2. Application of Proceeds of the Series 2017 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2017 Bonds in the amount of \$_____ being an amount equal to the principal amount thereof, plus a [net] reoffering premium of \$_____, and less an Underwriter's discount of \$_____ and the Trustee shall deposit said proceeds into the Series 2017 Acquisition/Construction Account.

Section 3.3. [Series 2017 Debt Service Reserve Account]. [The Series 2017 Debt Service Reserve Requirement shall be funded by _____. Thereafter, the Authority shall replenish the Series 2017 Debt Service Reserve Account as provided in the General Indenture.]

Section 3.4. Series 2017 Acquisition/Construction Account. Disbursements of moneys in the Series 2017 Acquisition/Construction Account shall be made in accordance with the terms of Section 5.1 of the General Indenture; provided, however, that costs of issuance shall be paid by the Trustee from the Series 2017 Acquisition/Construction Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request signed by an Authorized Representative of the Issuer in substantially the form of Exhibit B attached hereto.

Section 3.5. Repair and Replacement Fund. For purposes of the Series 2017 Bonds, the Repair and Replacement Reserve Requirement is [\$_____].

ARTICLE IV

CONFIRMATION OF GENERAL INDENTURE

As supplemented by this First Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture and this First Supplemental Indenture shall be read, taken and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants and agreements of the General Indenture shall apply and remain in full force and effect with respect to this First Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

ARTICLE V

MISCELLANEOUS

Section 5.1. Confirmation of Sale of Series 2017 Bonds. The sale of the Series 2017 Bonds to the Purchaser at the price described in Section 3.2, is hereby ratified, confirmed and approved.

Section 5.2. Severability. If any provision of this First Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this First Supplemental Indenture contained, shall not affect the remaining portions of this First Supplemental Indenture, or any part thereof.

Section 5.3. Counterparts. This First Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.4. Applicable Law. THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE OF UTAH.

Section 5.5. Effective Date. This First Supplemental Indenture shall become effective immediately upon execution.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this First Supplemental Indenture of Trust to be executed as of the date first written above.

LINDON CITY, UTAH

(SEAL)

By: _____
Mayor

COUNTERSIGN:

City Recorder

_____,
as Trustee

By: _____

Title: _____

EXHIBIT A

(FORM OF SERIES 2017 BOND)

[Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

Registered

Registered

**UNITED STATES OF AMERICA
LINDON CITY, UTAH
SEWER REVENUE BONDS
SERIES 2017**

THIS BOND HAS BEEN DESIGNATED BY THE ISSUER FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

Number R - _____ \$ _____

Interest RateMaturity DateDated Date

_____ %

Registered Owner: [CEDE & CO.]

Principal Amount: _____

Lindon City, Utah ("Issuer"), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on _____ and _____ of each year, commencing _____ (each an "Interest Payment Date"), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the designated offices of _____, Corporate Trust Department, [Salt Lake City, Utah]

(“Trustee” and “Paying Agent”) or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds of the Issuer designated as the “Sewer Revenue Bonds, Series 2017” (the “Series 2017 Bonds”) in the aggregate principal amount of \$_____ of like tenor and effect, except as to date of maturity and interest rate, numbered R-1 and upwards, issued by the Issuer pursuant to a General Indenture of Trust dated as of _____, 2017, as amended and supplemented by a First Supplemental Indenture of Trust dated as of _____, 2017 (collectively the “Indenture”) approved by resolutions of the Issuer adopted on June 6, 2017 (the “Bond Resolution”), for the purpose of (i) financing [_____ to the Issuer’s sewer system] (the “System”) and all related improvements and (ii) paying certain issuance expenses, all in full conformity with the Constitution and laws of the State of Utah. Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated “Lindon City, Utah Sewer Revenue Bond Fund” (the “Bond Fund”), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Net Revenues (as defined in the Indenture) derived and to be derived from the Issuer’s System all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2017 Bonds shall be payable only from the Net Revenues (as defined in the Indenture) and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer, within the meaning of any constitutional or statutory provision or limitation of indebtedness.

As provided in the Indenture, additional bonds, notes and other obligations of the Issuer may be issued and secured on an equal lien parity with the Series 2017 Bonds, from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes and other obligations issued and to be issued under the Indenture is not limited.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2017 Bonds, the terms upon which the Series 2017 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

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

Interest on the Series 2017 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2017 Bonds authenticated on or subsequent to the first Interest Payment Date shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date, as of that date; provided, however, that if interest on the Series 2017 Bonds shall be in default, interest on the Series 2017 Bonds issued in exchange for Series 2017 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2017 Bonds surrendered.

The Series 2017 Bonds are subject to optional and mandatory sinking fund redemption as provided in the Indenture.

The Bonds are issued as fully registered Bonds. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of other authorized denominations of the same series and the same maturity.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the designated corporate offices of _____ (the "Registrar"), in [Salt Lake City, Utah], but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Paying Agent may deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and this Bond does not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that it will cause to be collected and accounted for sufficient Net Revenues as will at all times be sufficient to pay promptly the principal of and interest on this Bond and the issue of which it forms a part and to make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed,

have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Net Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond.

This Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its City Recorder under its corporate seal or a facsimile thereof.

LINDON CITY, UTAH

(SEAL)

(facsimile or manual signature)

Mayor

COUNTERSIGN:

(facsimile or manual signature)

City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Sewer Revenue Bonds, Series 2017 of Lindon City, Utah.

_____, as Trustee

By: _____ (Manual Signature)
Authorized Officer

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, _____,
the undersigned, hereby sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 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 on the face of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

[TRUSTEE]
[ADDRESS]

Pursuant to Section 3.4 of the First Supplemental Indenture of Trust dated as of _____, 2017, you are hereby authorized to pay to the following costs of issuance from the Series 2017 Cost of Issuance Account:

(See Attached Schedule)

AUTHORIZED REPRESENTATIVE,
LINDON CITY, UTAH

Costs of Issuance

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
--------------	----------------	---------------

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. _____)

BOND PURCHASE AGREEMENT

LINDON CITY, UTAH

\$ _____
 [SEWER] REVENUE BONDS
 SERIES 2017

_____, 2017

Lindon City
 100 North State Street
 Lindon, Utah

The undersigned, _____ (the “Purchaser”), offers to purchase from the Lindon City, Utah (the “Issuer”), \$ _____ in aggregate principal amount of Sewer Revenue Bonds, Series 2017 (the “Bonds”) issued under a [General Indenture of Trust dated as of _____, 2017 (the “General Indenture”), as supplemented by a First Supplemental Indenture of Trust dated as of _____, 2017 (the “First Supplemental Indenture,” and together with the General Indenture, the “Indenture”) and both by and between the Issuer and _____, as trustee, with delivery and payment at the offices of Gilmore & Bell, P.C. in Salt Lake City, Utah, based upon the covenants, representations, and warranties set forth below.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. Exhibit A, which is hereby incorporated by reference into this Bond Purchase Agreement (the “Purchase Agreement”), contains a brief description of the Bonds, the manner of their issuance, the purchase price to be paid for, and the expected date of delivery and payment.

2. You represent and covenant to the Purchaser that (a) you have and will have at the closing on _____, 2017 (the “Closing”), the power and authority to enter into and perform this Purchase Agreement and the Indenture; (b) to adopt the Resolution dated June 6, 2017 (the “Resolution”) that authorized the delivery and sale of the Bonds to the Purchaser pursuant to the terms and conditions set forth in this Purchase Agreement and the Indenture; (c) this Purchase Agreement, the Indenture and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order, or agreement to which the Issuer is subject; (d) no governmental approval or authorization other than the Resolution is required in connection with the sale of the Bonds to the Purchaser; (e) this Purchase Agreement, the Indenture and the Bonds are and shall be at the time of the Closing legal, valid, and binding obligations of the Issuer enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency,

or other similar laws generally affecting creditors' rights; and (f) there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer or affecting the corporate existence of the Issuer or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the sale, issuance, or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Resolution, the Indenture or this Purchase Agreement, or contesting the powers of the Issuer or any authority for the issuance, sale and delivery of the Bonds or the refunding of the Refunded Bonds (as such term is defined in the Indenture), the adoption of the Resolution, the execution and delivery of the Indenture and this Purchase Agreement or the Bonds or the Issuer's legal right, power and authority to collect, receive and pledge the Net Revenues (as such term is defined in the Indenture).

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

(a) From June 30, 2016 to the date of Closing, there shall not have been any (i) material adverse change in the financial condition or general affairs of the Issuer; (ii) event, court decision, proposed law, or rule which may have the effect of changing the federal income tax incidents of the Issuer or the owner of the Bonds or the interest thereon or the transactions contemplated by this Purchase Agreement; or (iii) international or national crisis, suspension of stock exchange trading, or banking moratorium materially affecting, in the Purchaser's reasonable opinion, the market price of the Bonds.

(b) At the Closing, the Issuer will deliver or make available to the Purchaser:

(i) The Bonds, in definitive form and the Indenture duly executed;

(ii) A certificate from authorized officers of the Issuer, in form and substance acceptable to the Purchaser, to the effect that the representations and information of the Issuer contained in this Purchase Agreement are true and correct when made and as of the Closing;

(iii) The approving opinion of the Issuer's counsel, satisfactory to the Purchaser and Bond Counsel;

(iv) The approving opinion of Gilmore & Bell, P.C., Bond Counsel, in standard form dated the date of Closing, relating to the legality and validity of the Bonds and the excludability of interest on the Bonds from gross income of the holders thereof for federal income tax purposes; and

(v) Such additional certificates, instruments, and other documents as the Purchaser may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Purchaser.

4. The Issuer will pay the cost of the fees and disbursements of counsel to the Issuer and counsel to the Purchaser [(in an amount up to \$_____)], Bond Counsel, its Municipal Advisor, and the Trustee.

5. This Purchase Agreement is intended to benefit only the parties hereto, and the Issuer's representations and warranties shall survive any investigation made by or for the Purchaser, delivery, and payment for the Bonds, and the termination of this Purchase Agreement.

6. The Issuer expressly waives and agrees not to claim any sovereign immunity in any suits or judicial proceedings in connection with the provision of the Purchaser's products and services, to the extent permitted by law.

7. The Purchaser hereby represents that they are acquiring the Bonds for their own account, and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and has no present intention of reselling or otherwise disposing of the Bonds.

Sincerely,

[PURCHASER]

By: _____

Its: _____

ACCEPTED ON BEHALF OF:

LINDON CITY, UTAH

By: _____

Mayor

ATTEST AND COUNTERSIGN:

By: _____

City Recorder

EXHIBIT A

DESCRIPTION OF BONDS

1. Par Amount: \$ _____
2. Purchase Price: \$ _____
3. Purchaser's Counsel Fee: \$ _____
4. Accrued Interest: \$ _____
5. Interest Payment Dates: \$ _____
6. Dated Date: Closing Date
7. Form: Registered Bonds
8. Closing Date: _____, 2017
9. Redemption: _____
10. Bank Designation: [Bonds are Bank Qualified]
11. Maturity Schedule and Interest Rate:

Maturity Date
(_____)

Principal
Amount

Interest
Rate

7. Concept Review — Valley Properties LLC, ~2400 West 400 North*(30 minutes)*

The City Council will review and consider a request by Mark Ringger for review of a possible zone change from General Commercial (CG-A8) to Mixed Commercial on 32 acres identified by Utah County Parcel ID #14:059:0048 to accommodate a 300,000 square foot doTerra distribution warehouse.

See attached info from the Planning Department.

Item 7: Concept Review — Valley Properties LLC ~2400 West 400 North

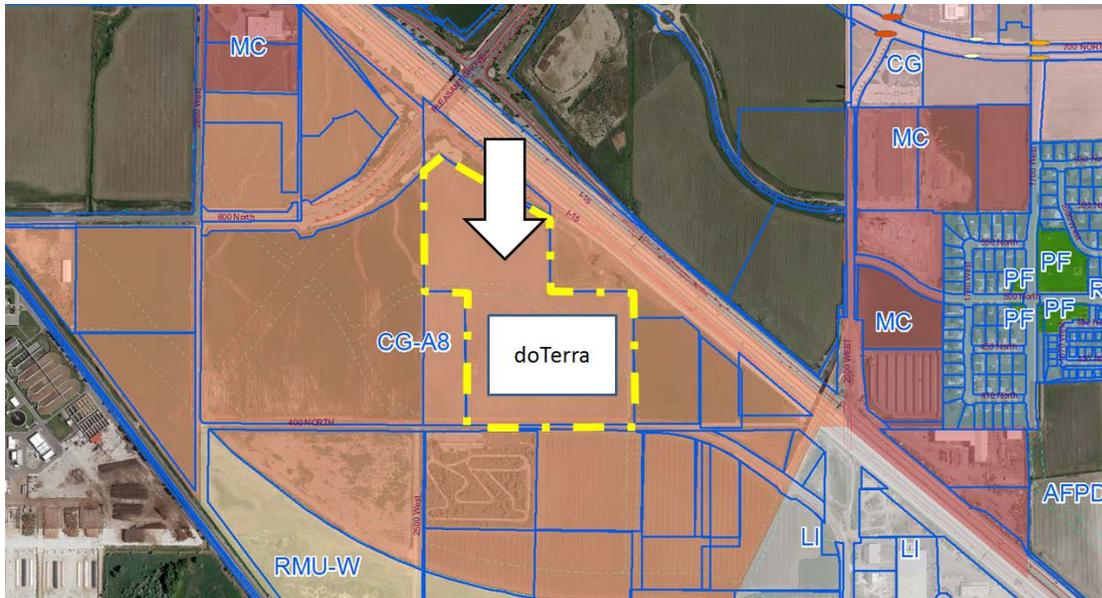
Mark Ringger requests concept review of a possible zone change from General Commercial (CG-A8) to Mixed Commercial (MC), on 32 acres identified by Utah County Parcel ID #14:059:0048, to accommodate a ~300,000 square foot doTerra distribution warehouse.

<p>Applicant: Mark Ringger Presenting Staff: Hugh Van Wagenen</p> <p>Type of Decision: None Council Action Required: No</p>	<p>SUMMARY OF KEY ITEMS</p> <ol style="list-style-type: none"> This is a concept review to receive feedback from the Planning Commission and City Council regarding the applicant's proposal. <p>MOTION No motion necessary.</p>
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OVERVIEW

A Concept Review allows applicants to quickly receive Planning Commission and City Council feedback and comments on proposed projects. No formal approvals or motions are given, but general suggestions or recommendations are typically provided. Although not mandatory, a Concept Review is recommended for all large development projects.

The proposal is located at approximately 2400 West 400 North. In addition to the rezoning of the property, the proposal would also require a change to the General Plan Land Use map from Commercial to Mixed Commercial. The proposal was reviewed by the Planning Commission on May 23, 2017. The feedback from the Planning Commission was generally positive.



(Present zoning)

The Lindon City Code(s) indicate the following:

LCC 17.48.010 General provisions.

...The objective in establishing commercial zones is to provide areas within the City where commercial and service uses may be located. These zones include the General Commercial Zones (CG, CG-A, CG-A8, CG-S), Lindon Village Commercial Zone and the Planned Commercial (PC-1 and PC-2) Zones.

LCC 17.50.010 General provisions.

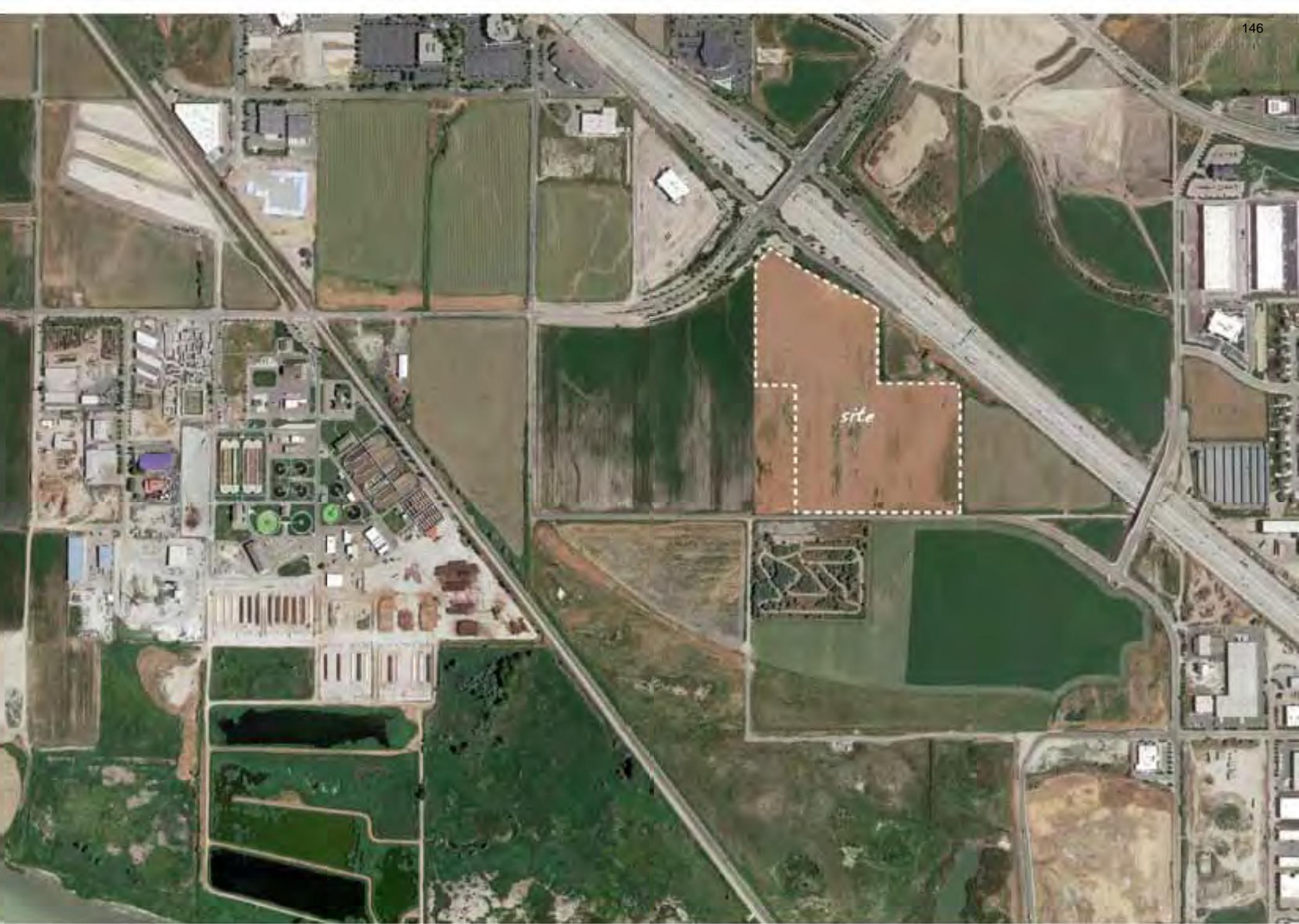
1. The objective in establishing the Mixed Commercial (MC) zone is to provide areas within the City where low intensity light industrial, research and development, professional and business services, retail and other commercial related uses may be located.

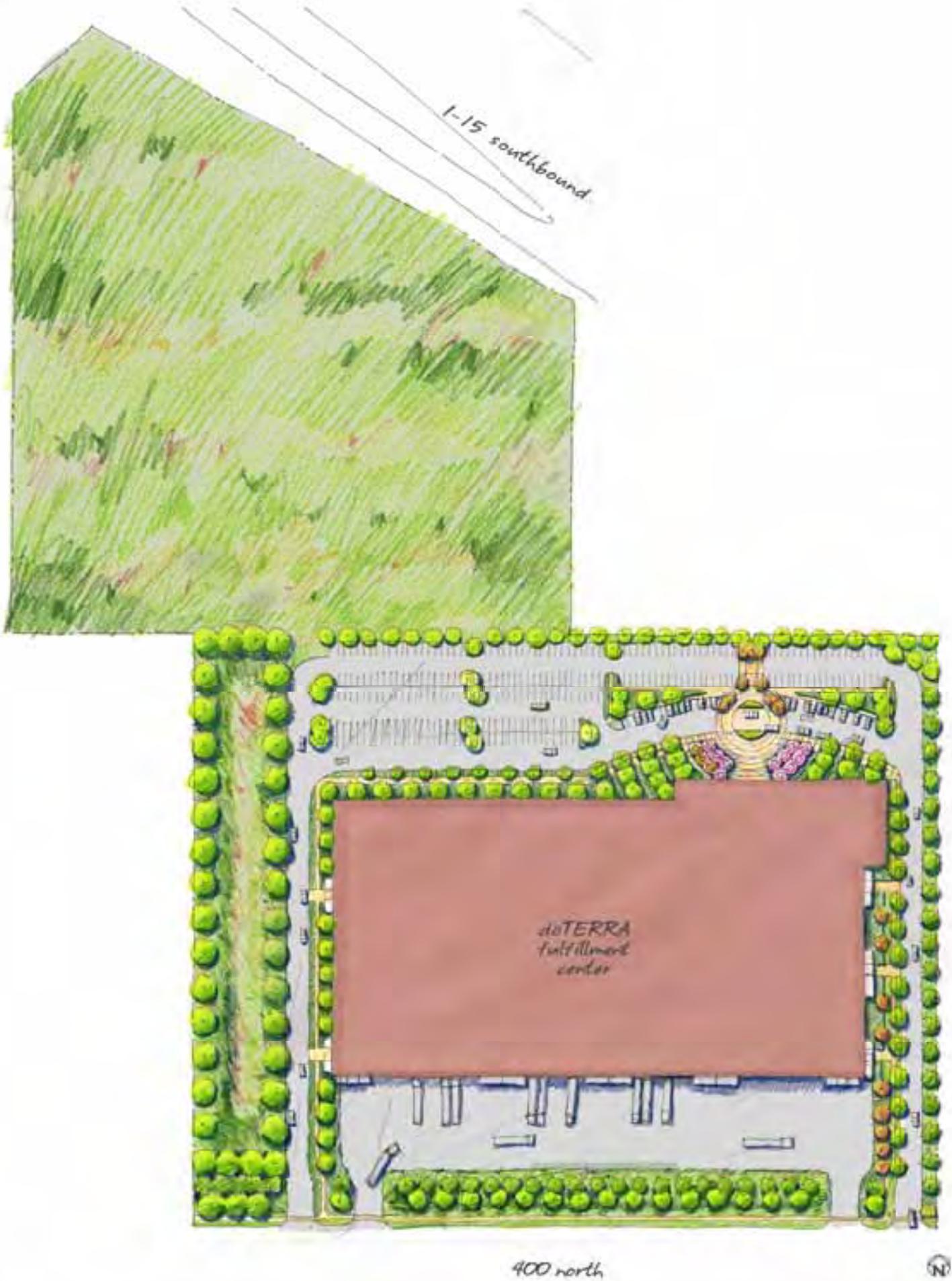
MOTION

No motion necessary.

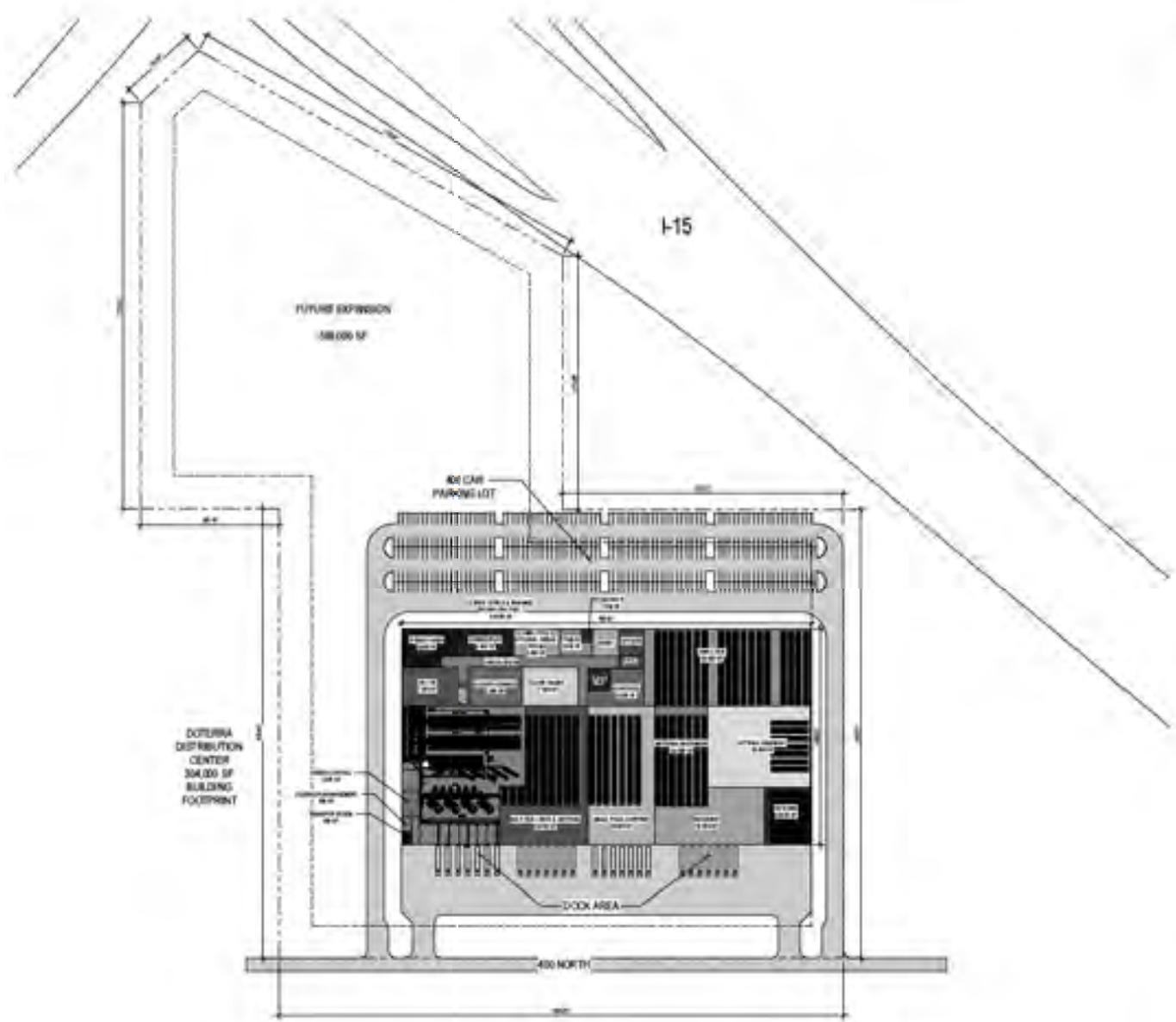
ATTACHMENTS

1. Conceptual Site Plan
2. Aerial, Exterior, and Rendering
3. Building Footprint











8. Continued Public Hearing — Disposal of Surplus Real Property; Resolution #2017-15-R

(90 minutes)

This item was continued from the May 23, 2017 City Council meeting. The City Council will review and consider the sale and disposal of 14.51 acres of surplus real property located at approximately 2100 West 600 South, Lindon (Utah County Parcel ID #17:023:0012). The property has been listed for sale since the fall of 2015. It's anticipated that the City will retain approximately 2.06 acres for a future public park and to maintain the existing Lake Shore Trail along the west side of the property.

Lindon City purchased this property in 1999 from PacifiCorp with the intent to create a regional park near the historic Geneva Resort. In the early 2000's an asphalt trail, to become part of the Utah Lake Shoreline Trail, was installed along the west boundary of the property. No other public improvements have been made to the property. It has been rented for a small fee as equestrian and agricultural property.

The 2008 Lindon City Parks, Trails and Recreation Master Plan estimated total improvement costs for the park to be approximately \$1.78 million with the park potentially having landscaping, two large pavilions, restrooms, picnic areas, playground, exercise equipment, equestrian riding area, a ball field with fencing and lighting, drinking fountains, and paved parking. It was identified in the plan as potentially being developed between the years 2018-2028, however no funding for development of the park has been identified in past or current budget cycles.

In the spring of 2015 the Lindon City Council began a review of City owned property, including this property, which could possibly be sold in order to meet ongoing financial obligations such as the newly constructed Public Safety Building. On April 30, 2015 possible sale of the property was identified as a funding option during the Public Safety Building public open house and was subsequently discussed in several other City Council meetings. In September of 2015 the property was listed for sale to gauge private interest in a purchase. After evaluating several offers, the City Council received an acceptable offer last fall of \$4.30/sq. foot (\$2,717,839). However, the sale was conditioned on the City Council declaring the land as surplus property and changing the zoning & general plan designations prior to June 1, 2017 – which did not occur. Therefore the previous offer has expired. The property is still listed for sale per the Council's previous direction.

The City Council has discussed options for use of the proceeds focusing on paying down current debt obligations of the City including the Public Safety Building and/or debt owed for the 700 North roadway construction. The Council has discussed that by paying down debt the City will save hundreds of thousands in interest & fees and will free up future monies to be used for road maintenance or other city priorities in future budgets.

The Council opted not to list 2.06 acres of the land for sale in order to keep the Shoreline Trail property and potential for a small public park near the lake. This smaller park property encompasses about 1.5 acres and includes the stand of large cottonwood trees to maintain public ownership of the area believed to have been where the pavilions of the historic Geneva Resort were once located. A future park with a pavilion, landscaping, restroom, and drinking fountain along the Lakeshore Trail could be accommodated on this smaller parcel.

Lindon City Code requires that the Council provide opportunity for public comment to be received prior to declaring and disposing of surplus real property, hence this public hearing.

Sample Motion: I move to (approve, deny, continue) Resolution #2017-15-R declaring 14.51 acres of land located at approximately 2100 West 600 South as surplus real property to be sold by the City.

RESOLUTION NO. 2017-15-R

A RESOLUTION DECLARING CERTAIN REAL PROPERTY OWNED BY LINDON CITY TO BE SURPLUS REAL PROPERTY AND AUTHORIZING THE DISPOSAL OF THE LISTED PROPERTY.

WHEREAS, the Municipal Council of Lindon City, in conformance with the procedure for the disposal of parcels of real property as outlined in Lindon City Code Chapter 3.07, advertised and noticed the public of a hearing to be scheduled on May 23, 2017 for the disposal of 14.51 acres of real property located at approximately 2100 West 600 South, Lindon (Utah County Parcel ID #17:023:0012); and

WHEREAS, the property was identified to the public as being under consideration as disposable surplus land at the April 30, 2015 Public Safety Building open house; and

WHEREAS, in September 2015 the City Council decided to list the property for sale to gauge interest in the property; and

WHEREAS, the City Council has received an acceptable offer on the property; and

WHEREAS, a public hearing on May 23, 2017 has been held concerning the declaration of surplus real property to receive public comment on the disposal of the property; and

WHEREAS, the City Council has determined that the property is surplus real property and the sale of land may proceed with the proceeds benefitting Lindon City for use in funding other public purposes.

THEREFORE, BE IT RESOLVED by the Lindon City Council as follows:

- Section 1. That, as shown on the attached ALTA Land Title Survey dated 11-4-2016 and hereby referred to as 'Exhibit A', the property identified on 'Exhibit A' as Parcel 1 and consisting of 14.51 acres is declared as surplus real property; and
- Section 2. The City may proceed with the sale and disposal of the land; and
- Section 3. This resolution shall take effect immediately upon passage.

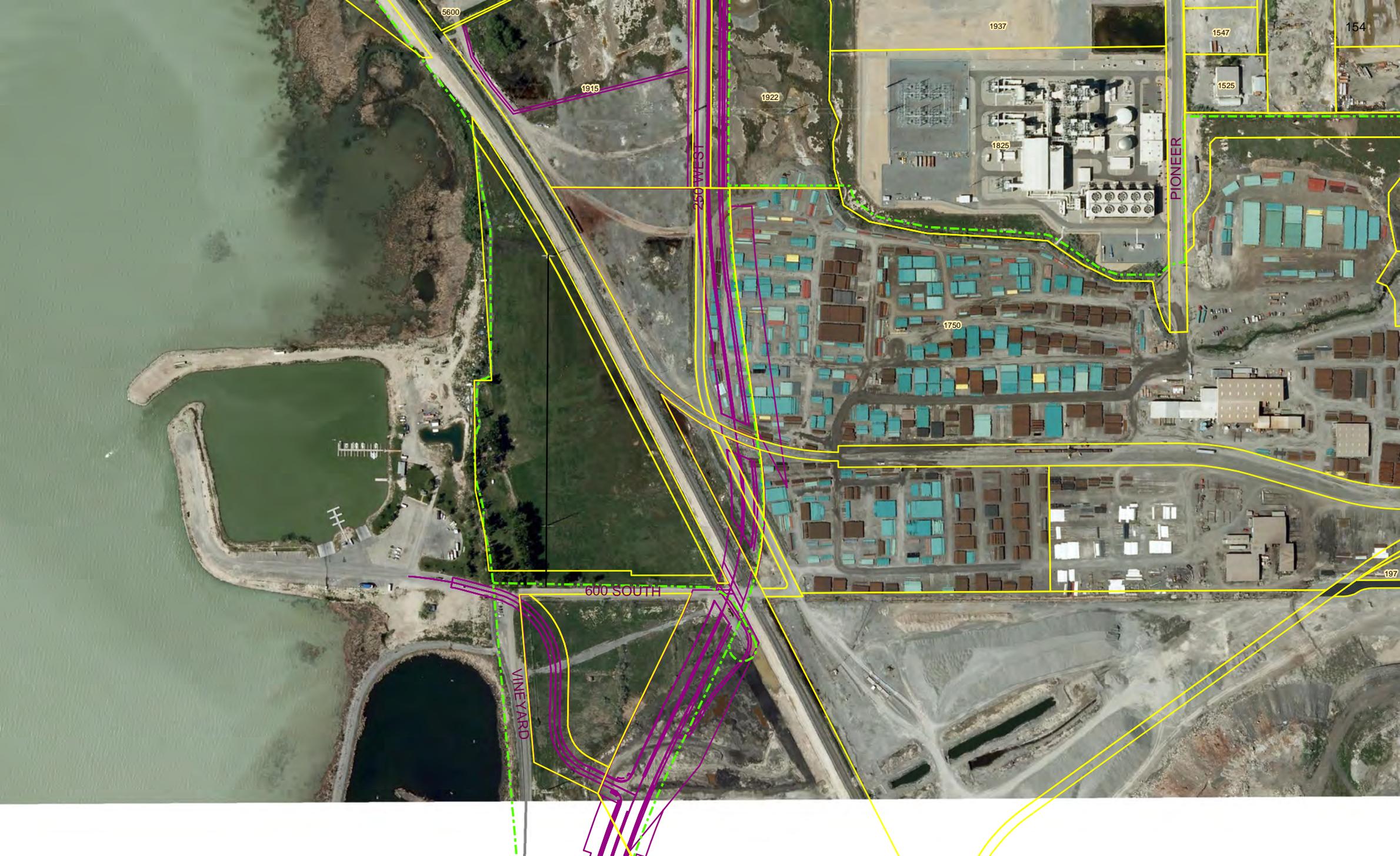
Adopted and approved this 23rd day of May, 2017.

By _____
Jeff Acerson, Mayor

Attest:

By _____
Kathryn A. Moosman, City Recorder

SEAL:



5600

1937

1547

154

1915

1922

1825

1525

250 WEST

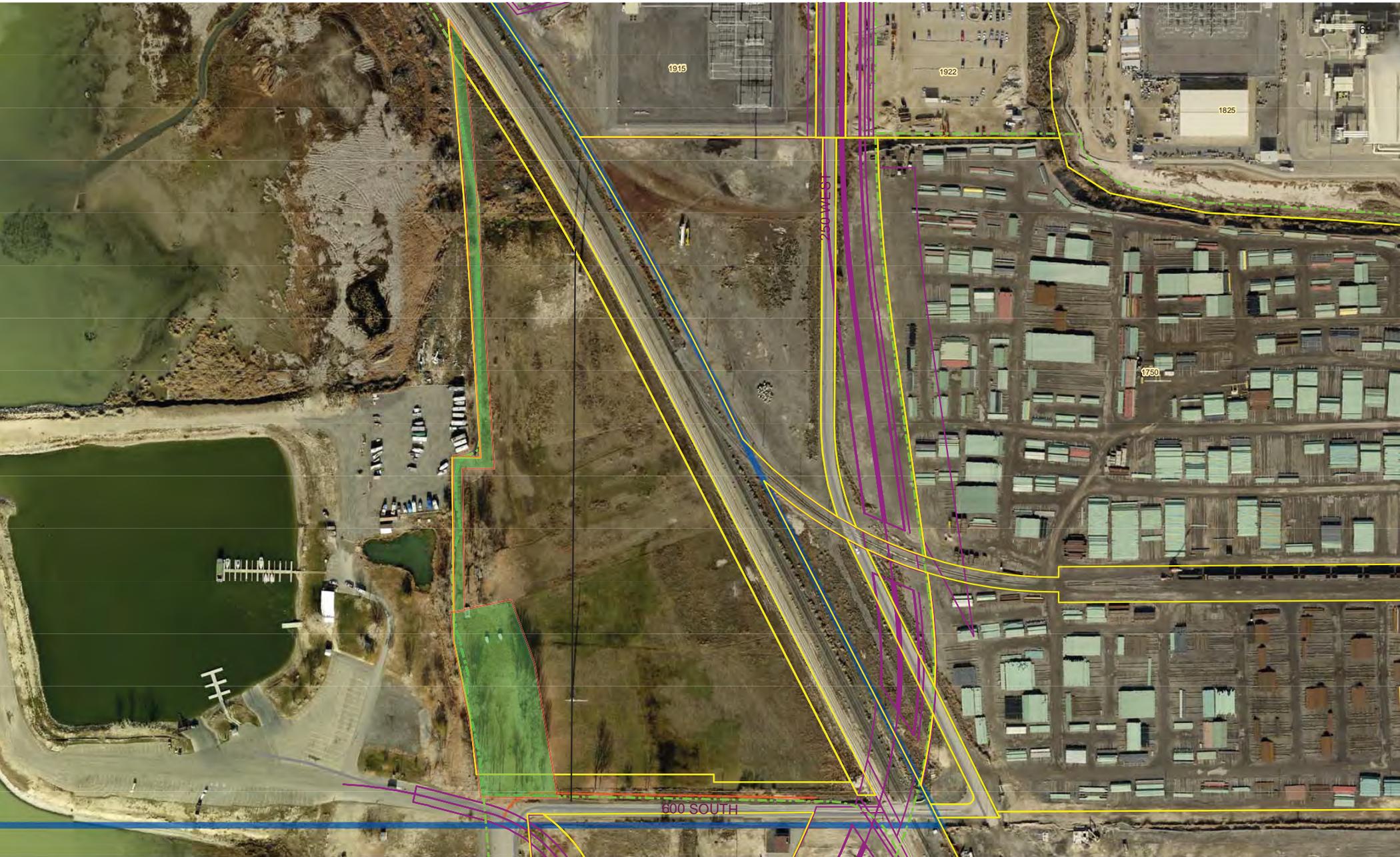
PIONEER

1750

600 SOUTH

197

VINEYARD



9. Continued Public Hearing —General Plan Amendment, ~2100 West 600 South (20 minutes)

This item was continued from the May 23, 2017 City Council meeting. Lindon City Corp. requests a General Plan Land Use Map Amendment from Public Facilities to Light Industrial, on 14.5 acres identified by Utah County Parcel ID #17:023:0012. (Ordinance #2017-5-O).

See attached Ordinance and information from the Planning Department.

This is a request to change the General Plan Map on City owned property from Public Facilities to Light Industrial in anticipation of the City declaring the property surplus.

Lindon City purchased the property in 1999 from PacifiCorp with the intent to create a regional park near the Historic Geneva Resort. In the Spring of 2015 the City Council began a review of City owned property, including this property, that could possibly be sold in order to meet ongoing financial obligations, such as the newly constructed Public Safety Building. In September of 2015 the property was listed for sale to gauge private interest in a purchase. There is no offer to buy the property currently in place.

FINDINGS OF FACT

1. The General Plan currently designates the property under the category of Public Facilities. This category includes public infrastructure for water, storm water systems, sewer systems, public parks, and other City owned buildings.
2. The applicant requests that the General Plan designation of the property be changed to Light Industrial, which accommodates manufacturing, industrial processes, and warehousing uses not producing objectionable effects. The Light Industrial designation also allows some appropriate related retail uses such as gasoline service stations.

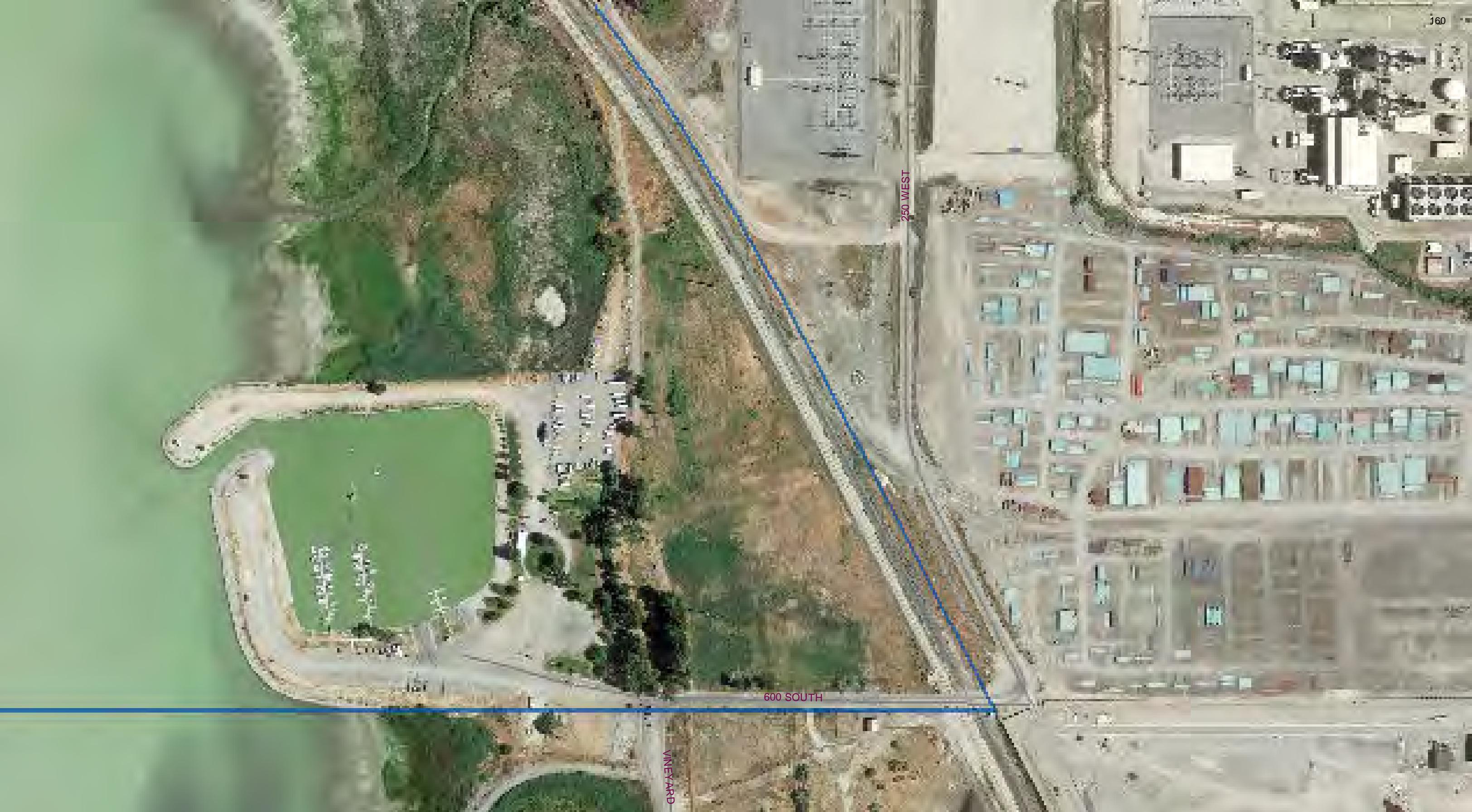
ANALYSIS

1. Relevant General Plan policies to consider in determining whether the requested change will be in the public interest:
 - a. It is the purpose of the *industrial (R&D, Light and Heavy)* to provide for employment and manufacture of materials which are essential to the economy of Lindon City and to provide areas in appropriate locations where a combination of research and development, manufacturing, and industrial processing and warehousing may be conducted.
 - b. The goal of *industrial* development is to promote employment opportunities, quality businesses, and environmentally clean industrial and technology development which will provide a diversified economic base and will complement local retail, commercial, and industrial establishments in harmony with the community's overall country image and identity as reflected in the Community Vision Statement.
 - i. Objectives of this goal are to:
 1. Encourage the development of high quality, aesthetically pleasing business park areas incorporating major landscape features.
 2. Identify those areas most appropriate for business park development in future growth areas, such as major highway access areas.
 3. Establish and enforce standards with respect to environmental concerns such as; noise, air quality, odor and visual.
 4. Increase the city's business base in the technology sector, building on the existing base and growing technology infrastructure, and consider expanding the Research and Development zones.
 - c. Applicable city-wide land use guidelines:

- i. The relationship of planned land uses should reflect consideration of existing development, environmental conditions, service and transportation needs, and fiscal impacts.
- ii. Transitions between different land uses and intensities should be made gradually with compatible uses, particularly where natural or man-made buffers are not available.
- iii. Commercial and industrial uses should be highly accessible, and developed compatibly with the uses and character of surrounding districts.

ATTACHMENTS

1. Aerial photo of the proposed area to be re-classified
2. Current Zoning Map
3. ALTA Survey with exact property request
4. Standard Land Use Table comparison LI and MC
5. Draft ordinance 2017-5-O

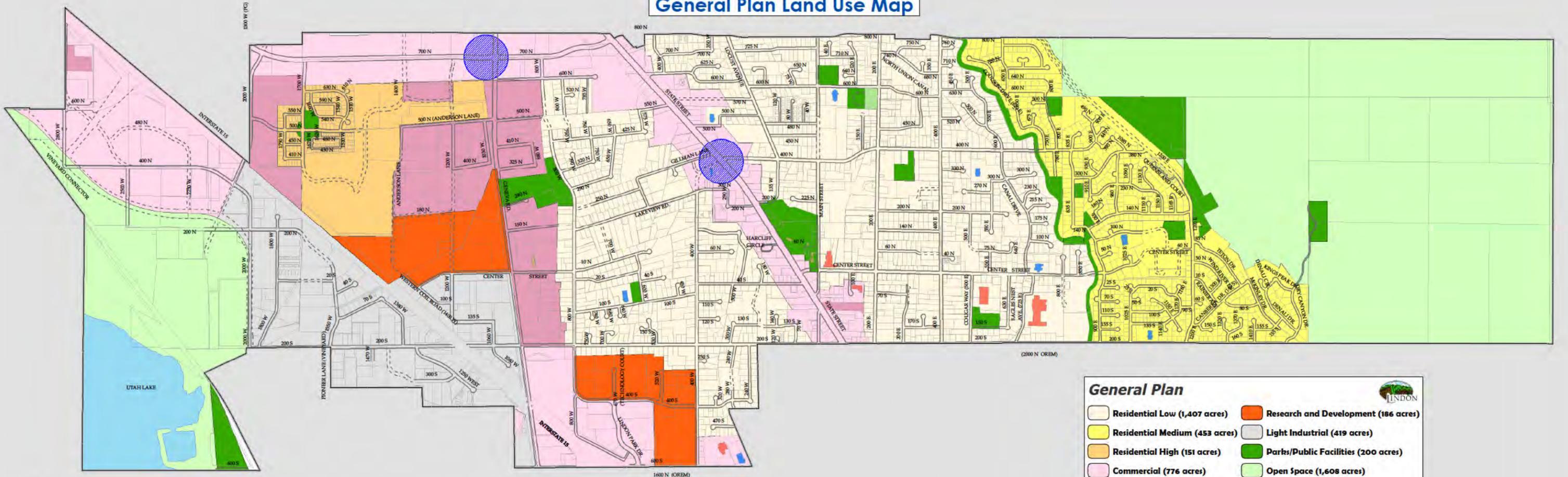


250 WEST

600 SOUTH

VINEYARD

Lindon City General Plan Land Use Map



General Plan

	Residential Low (1,407 acres)		Research and Development (186 acres)
	Residential Medium (453 acres)		Light Industrial (419 acres)
	Residential High (151 acres)		Parks/Public Facilities (200 acres)
	Commercial (776 acres)		Open Space (1,608 acres)
	Mixed Commercial (312 acres)		Transit Node (33 acres)

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
MISCELLANEOUS			
N/A	Solicitors	40 - Solicitors	
N/A	Itinerant Merchants	7.140 - Tempor	
7100	Fireworks Stands	7.140 - Fireworks Or	
7100	Christmas Tree Sales	7.140 - Tempor	
7100	Mechanical Amusement	C	C
N/A	Individual Containers for Recyclable Materials - commercial storage	C	C
RESIDENTIAL			
N/A	Single Family	N	N
1111	Accessory Apartments	N	N
1111	Condominium	N	N
1111	Apartments	N	N
1200	Rooming & Boarding Houses	N	N
1233	Fraternity & Sorority Houses	N	N
1500	Membership Lodging	N	N
1233	Student Housing	17.46 - R2 Over	
1241	Youth Rehabilitation	17.46 - R2 Over	
1241	Assisted Living Facilities - small	17.72 -	
1241	Assisted Living Facilities - large	17.72 -	
1200	Transitional Treatment Home - sm.	17.72 -	
1200	Transitional Treatment Home - lg.	17.72 -	
1400	Subdivided Manufactured Mobile Homes Parks	N	N
1300	Hotels, Tourist Courts, Bed & Breakfast and Motels	P	N
1300	Residential Bed & Breakfast Facility - 3 rooms or less	N	N
N/A	Caretaker Facilities - accessory to main uses only	C	C
MANUFACTURING			
Manufacturing business proposing "outdoor storage" in the HI or LI zones is requir			
2000	Slaughterhouse	N	N
2000	Meat & Dairy	N	C
2000	General Food Mfg.- under 20,000 sq/ft.	C	P
2000	General Food Mfg.- over 20,000 sq/ft.	N	C
2000	Candy & Other Confectionary Products	C	P
2000	Preparing Feeds for Animals & Fowl	N	C
2000	Brewery (Liquors & Spirits) max. 1,000 sq. ft. and must be in conjunction with a restaurant	C	C
2000	Ice Manufacturing	P	P
2000	Textile Mill Products	N	N
2000	All General Apparel	P	P
2000	Lumber & Wood Products	N	C
2000	Cabinets and Similar furniture & Fixtures - indoor storage and production only	C	P
2000	Pulp Products	N	N
2000	Publishing, Printing, & Misc. Related Work	P	P
2000	Industrial Chemical	N	N
2000	Explosives	N	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted
 *Lindon Village Commercial Zone use permissions are found in LCC 17.48.0251

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial/Industrial	
		MC	LI
2000	Petroleum & Coal Products	N	N
2000	Other Gas Productions	N	N
2000	Candle and wax products manufacturing	C	P
2000	Rubber and Misc. Plastics	N	N
2000	Stone, Clay, Glass, & Associated Products - indoor storage & production only	C	P
2000	Asphalt & Concrete Batch Plants or Road Product Manufacturing - concrete crushing, road base, etc.	N	N
2000	Recycling businesses (indoor processing only. Outdoor product storage areas require site obscuring fencing. Applications must meet SLU compatibility standards.)	N	C
2000	Fabricated Metal Products	N	C
2000	Fabricated Metal products, indoor storage & production only.	C	P
2000	Professional, Scientific, Photographic, Optical instruments & Etc	P	P
2000	Tobacco Products	N	C
2000	Motion Picture production (permanent studios)	P	P
2000	Signs & Advertising	P	P
TRANSPORTATION, COMMUNICATIONS, & UTILITIES			
4000	Railroad Lines Extension & Associated Uses	C	C
4000	Bus Passenger Terminals	P	P
4000	Bus Garaging & Equipment Maintenance	N	P
4000	Motor Freight Terminals	N	C
4000	Motor Freight Garaging & Equipment Maintenance	N	C
4000	Taxicab Terminal/Garage	P	P
4000	Auto Parking Facilities - private	P	P
4000	Telephone Utility Lines - above ground	N	N
4000	Telephone Utility Lines - underground	P	P
4000	Cellular Communication Towers	see Section 5.0	
4000	Television Broadcasting Studios - only	P	P
4000	Television Transmitting Stations & Relay Tower (height of tower may not exceed maximum height of zone)	C	C
4000	Radio & Television Broadcasting Studios (height of any antenna or tower may not exceed maximum height of zone)	C	C
4000	Electric Utility Lines - above ground 35 kV or greater	C	C
4000	Electric Utility Lines - underground	P	P
4000	Electric Utility Lines - above ground and less than 35 kV	N	N
4000	Electricity Regulating Substations	C	C
4000	Gas Utilities - underground	P	P

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0252

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial/Industrial	
		MC	LI
4000	Natural or Manufactured Gasoline Storage & Distribution Points	N	N
4000	Gas Pressure Control Stations	N	C
4000	Culinary Water Treatment Plants - Purification	N	P
4000	Water Storage	P	P
4000	Water Pressure Control Stations	P	P
4000	Sewage Treatment Plants	N	N
4000	Sewage Pressure Control Stations	P	P
4000	Solid Waste Disposal & Incineration	N	N
4000	Freight Forwarding Services	P	P
4000	Packing & Crating Services	C	P
4000	Waste Transfer Stations	N	N
WHOLESALE TRADE (Sell for Resale)			
Note: Any permitted (P) wholesale business proposing "outdoor			
5100	Automobiles, Motor Vehicle, & Other Automotive Equipment (outdoor storage of vehicles is permitted)	C	C
5100	Tires & Tubes - indoor storage only	P	P
5100	Drugs, Chemicals & Allied Products - indoor storage only	P	P
5100	Drugs, Drug Proprietaries & Druggists' Sundries - indoor storage only	P	P
5100	Paints & Varnishes - indoor storage only	P	P
5100	Dry Goods, Piece Goods, & Notions - indoor storage only	P	P
5100	Apparel & Accessories - indoor storage only	P	P
5100	Groceries & Food Stuffs - indoor storage only	P	P
5100	Agricultural Commodities (outdoor storage is permitted)	C	C
5100	Electrical Apparatus & Equipment, Wiring Supplies, & Construction Materials - indoor storage only	P	P
5100	Hardware - indoor storage only	P	P
5100	Plumbing & Heating Equipment & Supplies - indoor storage only	P	P
5100	Air Conditioning, Refrigeration Equipment & Supplies - indoor storage only	P	P
5100	Commercial, Industrial, & Agricultural Machine Equipment & supplies (outdoor storage is permitted)	C	C
5100	Professional Equipment & Supplies - indoor storage only	P	P
5100	Transportation equipment, Other Machinery Equipment, & Supplies (Outdoor storage of vehicles & trailers is permitted)	C	C
5100	Metal & Minerals - includes Rock Products, Concrete, Asphalt - excludes liquid petroleum products & scrap	N	N
5100	Petroleum Bulk Stations & Terminals	N	N
5100	Scrap & Waste Materials	N	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0253

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
5100	Tobacco & Tobacco Products - indoor storage only	P	P
5100	Beer, Wine, & Distilled Alcoholic Beverages - indoor storage only	P	P
5100	Paper & Paper Products - indoor storage only	P	P
5100	Furniture & Home furnishings - indoor storage only	P	P
5100	Lumber & Construction Materials (outdoor storage is permitted)	C	C
RETAIL TRADE			
5200	Lumber yards - outdoor storage	C	C
5200	Building Material, Equipment Supplies & Hardware - indoor storage only	P	P
5200	Farm Equipment	C	P
5300	Home Improvement Centers	P	P
5300	Department Stores	P	N
5300	Mail Order Houses	P	P
5300	Limited Price Variety Stores	P	P
5300	Direct Selling Organizations - Call Centers	C	C
5300	Arts, Crafts & Hobbies	P	P
5300	Musical Instruments	P	P
5300	Flea Market - indoor storage only	C	C
5300	Groceries &/or Food	P	P
5300	Farmers Market	C	C
5300	Candy & Other Confectionery Products	P	P
5500	Motorcycles, Personal ATV, Personal Water Craft, & Snowmobile, Sales & Service	C	C
5500	Motor Vehicles/Trucks/Marine - New Vehicle Dealership only	C	P
5500	Used Cars/Trucks - Used Vehicle Sales Lots	N	P
5500	Mobile & Manufactured Homes Sales	C	P
5500	Tires, Batteries, & Accessories	P	P
5500	Gasoline Service Station with or Without Store	P	P
5500	Marine Craft & Accessories	C	P
5500	Aircraft & Accessories	N	P
5600	Clothing, Apparel, & Accessories	P	N
5700	Furniture & Home furnishings - indoor storage only	P	P
5700	Music Supplies	P	P
5800	Restaurants	P	P
5800	Fast Food	P	P
5900	Pharmacy	P	P
5900	Antiques	P	P
5900	Jeweler or Gold, Silver Dealers	P	N
5900	Secondhand Merchants - No outdoor storage except as CUP in LI zone	P	P
5900	Books	P	N
5900	Stationery	P	N
5900	Office Supplies	P	N
5900	Cigars - Cigarettes	P	P

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0254

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
5900	Newspapers/Magazines	P	P
5900	Cameras & Photographic Supplies	P	P
5900	Gifts, Novelties, & Souvenirs	P	N
5900	Florists	P	N
5900	Video Rentals	P	N
5900	Sporting Goods	P	P
5900	Bicycles	P	P
5900	Toys	P	N
5900	Farm & Garden Supplies	P	P
5900	Hay, Grains, & Feed	C	P
5900	Nursery - Plants	P	P
5900	Computer Goods & Services	P	P
5900	Optical Goods	P	N
SERVICES			
6100	Professional Office Uses	P	P
6100	Chartered Banks, Credit Unions and Other Similar Financial Institutions	P	N
6100	Check Cashing and Other Payday Loans or Similar Credit Services	N	N
6100	Security & Commodity Brokers, Dealers, & Exchanges	P	N
6100	Insurance Agents, Brokers, and Related Services	P	N
6100	Real Estate Agents, Brokers, and Related Services	P	N
6100	Title Abstracting	P	N
6200	Laundering and Dry Cleaning Services	P	P
6200	Custom Tailoring	P	N
6200	Laundromats	P	N
6200	House Cleaning	P	P
6200	Commercial Janitorial	P	P
6200	Window Cleaning	P	P
6200	Chimney Sweep	P	P
6200	Photographic Services - Including Commercial	P	P
6200	Beauty & Barber Shops	P	P
6200	Massage Therapy/Personal Care Health Spa	P	P
6200	Funeral Homes	P	N
6200	Crematory Services	N	C
6200	Cemeteries	N	N
6200	Child Day Care - 5 to 16 children (4 or less not regulated)	C	N
6200	Commercial Adult Day Care Facility	Section 17.70 and	
6200	Commercial Preschool	P	N
6200	Catering Services	P	P
6200	Wedding Reception Centers	P	N
6300	Advertising Services - General	P	P
6300	Direct Mail Advertising	P	P
6300	Travel Services	P	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted
 *Lindon Village Commercial Zone use permissions are found in LCC 17.48.0255

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
6300	Private Postal Services	P	P
6300	Blueprinting & Photocopying	P	P
6300	Disinfecting & Exterminating	C	P
6300	Locksmithing	P	P
6300	News Syndicate	P	P
6300	Employment Services	P	N
6300	Vault Security Storage - Mini-Storage (outdoor storage by Conditional Use only and is limited to 15% of total storage space and limited to personal recreational vehicles)	P	P
6300	Research, Development, & Testing Services	P	P
6300	Business & Management Consulting	P	P
6300	Detective & Protective Services	P	P
6300	Heavy Equipment Rental & Leasing; Vehicles over 26,000 GVW	N	P
6300	Light Equipment Rental & Leasing; Automobile & Light-Truck Rental (No vehicles over 26,000 GVW)	P	P
6300	Photo-Finishing	P	P
6300	Stamp Trading	P	P
6300	Motion Picture Distribution & Services	P	P
6411	Automobile Wash	P	P
6411	Auto Lube & Tune-up	P	P
6411	Auto Tire Shops / Tire Sales / Tire Services	P	P
6411	General Auto / Vehicle Repair	C	C
6400	Wrecking Yards	N	N
6400	Impound Yards	N	C
6400	Small Engine, Appliance, Electrical, & Machine Repair	C	C
6400	Watch, Clock, & Jewelry Repair	P	P
6400	Re-Upholstery & Furniture Repair	P	P
6513	Medical, Dental, & Health Clinic Services / small, outpatient type services	P	N
6513	Hospital Services	C	N
6500	Medical & Dental Laboratories	P	P
6500	Veterinarian Services, Animal Hospitals - small animals only	C	C
6500	Veterinarian Services, Animal Hospitals - large animals	N	C
6500	Legal Services	P	P
6500	Engineering & Architectural	P	P
6500	Educational & Scientific Research	P	P
6500	Accounting, Auditing & Bookkeeping	P	P
6500	Urban Planning	P	P
6500	Auction Services - Indoor Only	P	P
6500	Family & Behavioral Counseling	P	N
6500	Genealogical - Family History Services	P	N
6500	Interior Design	P	P
6600	Building Construction - General Contractor, Office & Storage	C	P

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0256

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
6600	Landscaping Service, Office & Storage	C	P
6800	Private Primary & Secondary Schools	C	C
6800	Universities & Colleges	C	C
6800	Professional & Vocational Schools	C	C
6800	Martial Arts Studios	P	P
6800	Barber & Beauty Schools	P	N
6800	Art & Music Schools	P	P
6800	Dancing, Tumbling, and Gymnastics Schools	P	P
6800	Driving Schools	P	P
6911	Churches, Synagogues & Temples	C	N
6800	Adoption Agencies	P	N
6800	Professional Members Organizations	P	C
6800	Labor Unions & Similar Labor Organizations	P	C
6800	Civic, Social & Fraternal Associations	P	C
PUBLIC ASSEMBLIES & AMUSEMENTS			
7100	Libraries	P	N
7100	Museums	P	N
7100	Art Galleries	P	N
7100	Planetaria, Aquariums, Botanical Gardens, & Arboretums	P	N
7100	Zoos	N	N
7100	Sexually-Oriented Businesses	Section 8.30 and	
7100	Amphitheaters	C	N
7100	Motion Picture Theaters	P	N
7100	Stage Theater	P	N
7100	Dance Clubs/Music Venues	C	C
7100	Stadiums	C	C
7100	Arenas / Field Houses	C	C
7100	Auditoriums & Exhibit Halls	C	N
7100	Convention Centers	P	C
7100	Fairgrounds	P	C
7100	Amusements Parks	C	N
7100	Arcades & Miniature Golf	P	N
7100	Golf Driving Ranges	C	C
7100	Go-Cart Tracks	N	C
7100	Golf Courses &/ or Country Clubs	N	C
7100	Tennis Courts - Private	P	C
7100	Roller Skating & Blading	P	C
7100	Skate Board Parks - Private	N	C
7100	Skate Board Parks - Publicly Owned	Section III - Appe	
7100	BMX Biking Tracks & Facilities	N	C
7100	ATV / Motorcycle Tracks	N	N
7100	Riding Stables - Commercial	P	C
7100	Bowling Lanes	P	N
7100	Play Fields & Athletic Fields - Commercial	N	C
7100	Recreation Centers - General	P	C
7100	Gymnasium & Athletic Clubs	P	C
7100	Swimming Pools - Commercial	P	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0257

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial/Industrial	
		MC	LI
7100	Indoor Soccer Facilities	P	C
7100	Indoor Gun Ranges	C	C
7100	Water Slides	P	N
7100	Parks - General Recreation - Public Property	P	P
7100	Campgrounds	N	N
AGRICULTURE & RESOURCE EXTRACTION			
N/A	Commercial Farms & Ranches producing Pigs, Turkeys, Mink, or Chickens products	N	N
N/A	Agricultural Related Activities: Commercial Production - large scale	C	C
N/A	Horticultural Services	C	C
N/A	Forestry & Timber Production	N	N
N/A	All Fisheries & Fish Hatcheries	N	C
N/A	All Mining & Related Services	N	N
N/A	All Resource Production & Extraction	N	N
N/A	Peat Extraction	C	C
See LCC 17.18	CF zone (Commercial Farm) uses - See LCC 17.51		
UNCLASSIFIED			
N/A	All unclassified items	II of SLU Table (

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted
 *Lindon Village Commercial Zone use permissions are found in LCC 17.48.0258

ORDINANCE NO. 2017-5-O

AN ORDINANCE OF THE CITY COUNCIL OF LINDON CITY, UTAH COUNTY, UTAH, AMENDING PORTIONS OF THE LINDON CITY GENERAL PLAN LAND USE MAP FROM PUBLIC FACILITIES TO LIGHT INDUSTRIAL AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Municipal Council of Lindon City finds it is necessary to amend portions of the Lindon City General Plan Land Use Map, specifically the property generally located at 2100 West 600 South, otherwise identified by a portion of Utah County Parcel #17:023:0012 (See map labeled as Exhibit A) from Public Facilities to Light Industrial, finding that approval of such would benefit the City; and

WHEREAS, the City finds it is necessary to amend the General Plan Land Use Map to accommodate a growing industry within the City; and

WHEREAS, the property in question is currently adjacent to Industrial property and associated uses; and

WHEREAS the revision of such provisions will assist in carrying out general plan goals related to the promotion of businesses and industry within the City, and said changes are compatible with land use guidelines as found in the General Plan; and

WHEREAS, a public hearing was held May 23, 2017 to receive public input and comment; and

WHEREAS, the Council held a public hearing May 23 and June 6, 2017 to consider the request; and

WHEREAS, the current General Plan Land Use Map should be amended to provide such provisions to the Municipal Code of Lindon City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Lindon City, Utah County, State of Utah, the Lindon City General Plan Land Use Map is hereby amended and will read as follows:

SECTION I:

See Exhibit A showing parcel changing from Public Facilities to Light Industrial on the Lindon City General Plan Land Use Map.



SECTION II: The provisions of this ordinance and the provisions adopted or incorporated by reference are severable. If any provision of this ordinance is found to be invalid, unlawful, or unconstitutional by a court of competent jurisdiction, the balance of the ordinance shall nevertheless be unaffected and continue in full force and effect.

SECTION III: Provisions of other ordinances in conflict with this ordinance and the provisions adopted or incorporated by reference are hereby repealed or amended as provided herein.

SECTION IV: This ordinance shall take effect immediately upon its passage and posting as provide by law.

PASSED and ADOPTED and made EFFECTIVE by the City Council of Lindon City, Utah, this _____ day of _____, 2017.

 Jeff Acerson, Mayor

ATTEST:

 Kathryn A. Moosman,
 Lindon City Recorder

SEAL

10. Continued Public Hearing — Zone Map Amendment, ~2100 West 600 South *(15 minutes)*

This item was continued from the May 23, 2017 City Council meeting. Lindon City Corp. requests a Zone Map Amendment from Public Facilities to Light Industrial, on 14.5 acres identified by Utah County Parcel ID #17:023:0012. (Ordinance #2017-6-O).

See attached Ordinance and information from the Planning Department.

Item 10: Public Hearing — Zoning Map Amendment Public Facilities to Light Industrial ~2100 West 600 South

Applicant: Lindon City Corp.
Presenting Staff: Hugh Van Wagenen

General Plan: Public Facilities
Current Zone: Public Facilities

Property Owner: Lindon City Corp.
Address: ~2100 West 600 South
Parcel ID: 17:023:0012
Area Size: ~14.5 acres requested change

Type of Decision: Legislative
Planning Commission Recommendation: Recommend denial in a 4-1 vote.

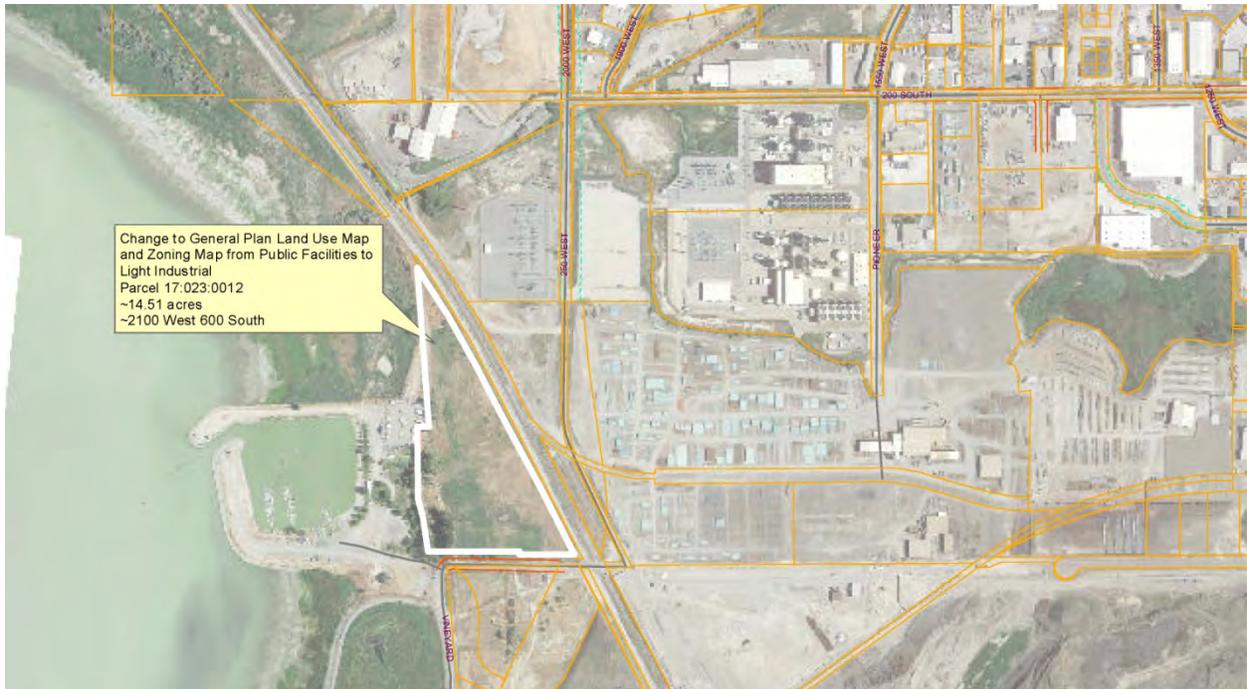
SUMMARY OF KEY ITEMS

1. Whether to approve the request to change the Zoning Map designation of the subject property from Public Facilities to Light Industrial.

MOTION

I move to (approve, deny, continue) Ordinance 2017-6-O with the following conditions (if any):

- 1.



OVERVIEW

This item was continued from a Special Session of the City Council held on May 23, 2017. Several members of the community requested additional time to make public comment regarding this request.

This is a request to change the Zoning Map on City owned property from Public Facilities to Light Industrial in anticipation of the property being sold to a private party for development of a self-storage project.

Lindon City purchased the property in 1999 from PacifiCorp with the intent to create a regional park near the Historic Geneva Resort. In the Spring of 2015 the City Council began a review of City owned property, including this property, that could possibly be sold in order to meet ongoing financial obligations, such as the newly constructed Public Safety Building. In September of 2015 the property was listed for sale to gauge private interest in a purchase. There are not any current offers on the table for the property.

FINDINGS OF FACT

1. The General Plan currently designates the property under the category of Public Facilities. This category includes public infrastructure for water, storm water systems, sewer systems, public parks, and other City owned buildings.
2. The applicant requests that the General Plan designation of the property be changed to Light Industrial, which accommodates manufacturing, industrial processes, and warehousing uses not producing objectionable effects. The Light Industrial designation also allows some appropriate related retail uses such as gasoline service stations.

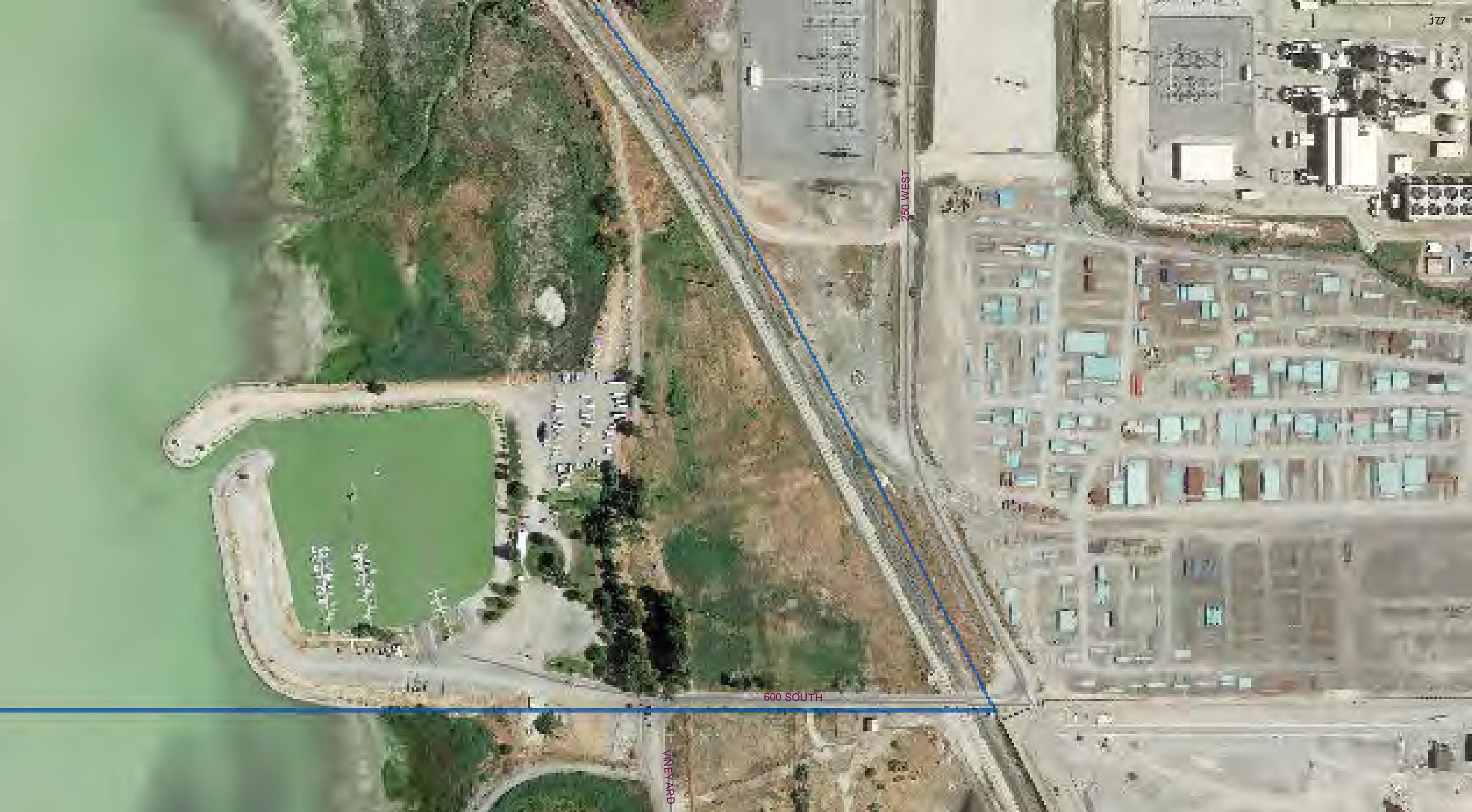
ANALYSIS

1. Relevant General Plan policies to consider in determining whether the requested change will be in the public interest:
 - a. It is the purpose of the *industrial (R&D, Light and Heavy)* to provide for employment and manufacture of materials which are essential to the economy of Lindon City and to provide areas in appropriate locations where a combination of research and development, manufacturing, and industrial processing and warehousing may be conducted.
 - b. The goal of *industrial* development is to promote employment opportunities, quality businesses, and environmentally clean industrial and technology development which will provide a diversified economic base and will complement local retail, commercial, and industrial establishments in harmony with the community's overall country image and identity as reflected in the Community Vision Statement.
 - i. Objectives of this goal are to:
 1. Encourage the development of high quality, aesthetically pleasing business park areas incorporating major landscape features.
 2. Identify those areas most appropriate for business park development in future growth areas, such as major highway access areas.
 3. Establish and enforce standards with respect to environmental concerns such as; noise, air quality, odor and visual.
 4. Increase the city's business base in the technology sector, building on the existing base and growing technology infrastructure, and consider expanding the Research and Development zones.
 - c. Applicable city-wide land use guidelines:
 - i. The relationship of planned land uses should reflect consideration of existing development, environmental conditions, service and transportation needs, and fiscal impacts.

- ii. Transitions between different land uses and intensities should be made gradually with compatible uses, particularly where natural or man-made buffers are not available.
- iii. Commercial and industrial uses should be highly accessible, and developed compatibly with the uses and character of surrounding districts.

ATTACHMENTS

1. Aerial photo of the proposed area to be re-classified
2. Current Zoning Map
3. ALTA Survey with exact property request
4. Standard Land Use Table comparison LI and MC
5. Draft ordinance 2017-6-O

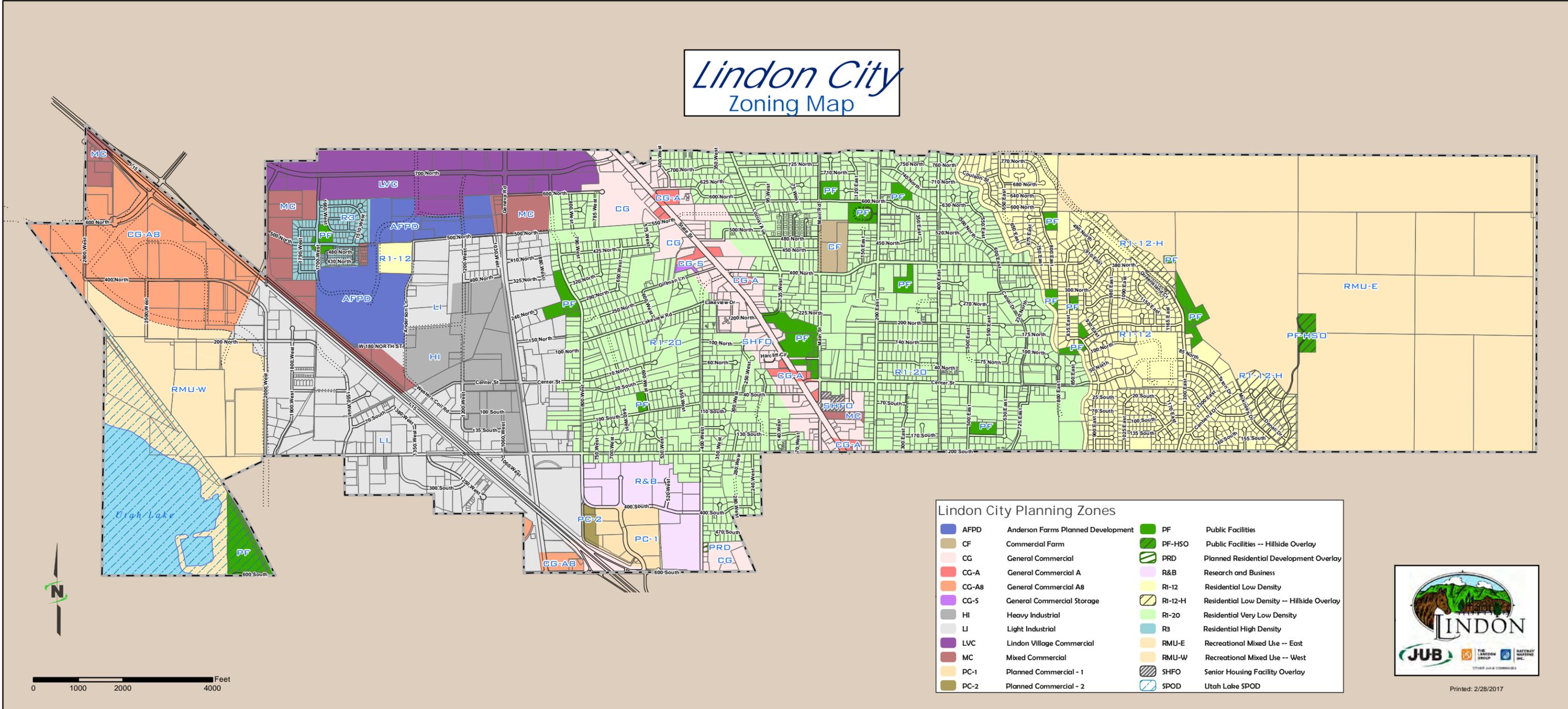


250 WEST

600 SOUTH

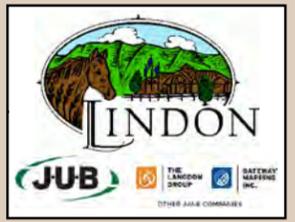
VINEYARD

Lindon City Zoning Map

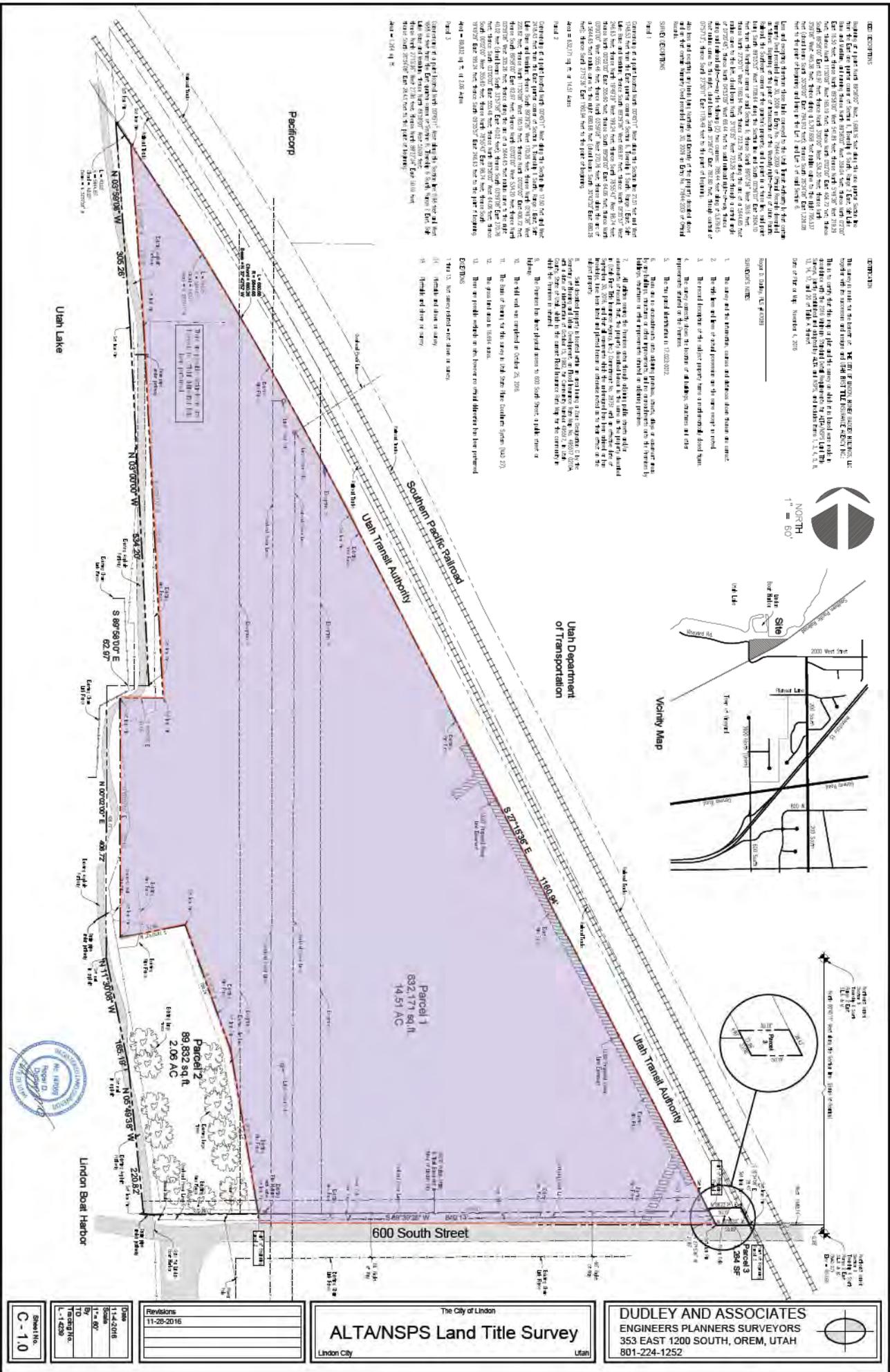


Lindon City Planning Zones

AFPD	Anderson Farms Planned Development	PF	Public Facilities
CF	Commercial Farm	PF-HSO	Public Facilities -- Hillside Overlay
CG	General Commercial	PRD	Planned Residential Development Overlay
CG-A	General Commercial A	R&B	Research and Business
CG-A8	General Commercial A8	R1-12	Residential Low Density
CG-S	General Commercial Storage	R1-12-H	Residential Low Density -- Hillside Overlay
HI	Heavy Industrial	R1-20	Residential Very Low Density
LI	Light Industrial	R3	Residential High Density
LVC	Lindon Village Commercial	RMU-E	Recreational Mixed Use -- East
MC	Mixed Commercial	RMU-W	Recreational Mixed Use -- West
PC-1	Planned Commercial - 1	SHFO	Senior Housing Facility Overlay
PC-2	Planned Commercial - 2	SPOD	Utah Lake SPOD



Printed: 2/28/2017



SECTION 1

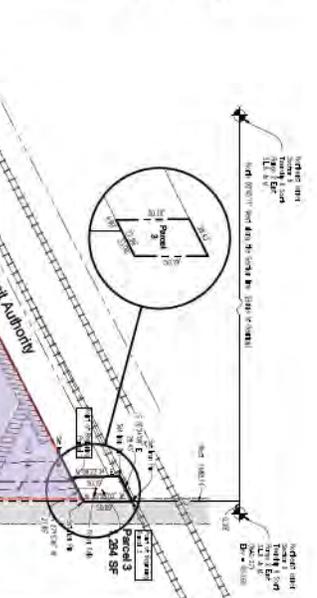
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Sheet No. C-1.0

Drawn By: [Name]
Checked By: [Name]
Date: 11-26-2016

Revisions:
11-26-2016

The City of London
ALTANSPS Land Title Survey
London City Utah

DUDLEY AND ASSOCIATES
ENGINEERS PLANNERS SURVEYORS
353 EAST 1200 SOUTH, OREM, UTAH
801-224-1252

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
MISCELLANEOUS			
N/A	Solicitors	40 - Solicitors	
N/A	Itinerant Merchants	7.140 - Tempor	
7100	Fireworks Stands	7.140 - Fireworks Or	
7100	Christmas Tree Sales	7.140 - Tempor	
7100	Mechanical Amusement	C	C
N/A	Individual Containers for Recyclable Materials - commercial storage	C	C
RESIDENTIAL			
N/A	Single Family	N	N
1111	Accessory Apartments	N	N
1111	Condominium	N	N
1111	Apartments	N	N
1200	Rooming & Boarding Houses	N	N
1233	Fraternity & Sorority Houses	N	N
1500	Membership Lodging	N	N
1233	Student Housing	17.46 - R2 Ove	
1241	Youth Rehabilitation	17.46 - R2 Ove	
1241	Assisted Living Facilities - small	17.46 - R2 Ove	
1241	Assisted Living Facilities - large	17.46 - R2 Ove	
1200	Transitional Treatment Home - sm.	17.46 - R2 Ove	
1200	Transitional Treatment Home - lg.	17.46 - R2 Ove	
1400	Subdivided Manufactured Mobile Homes Parks	N	N
1300	Hotels, Tourist Courts, Bed & Breakfast and Motels	P	N
1300	Residential Bed & Breakfast Facility - 3 rooms or less	N	N
N/A	Caretaker Facilities - accessory to main uses only	C	C
MANUFACTURING			
Manufacturing business proposing "outdoor storage" in the HI or LI zones is requir			
2000	Slaughterhouse	N	N
2000	Meat & Dairy	N	C
2000	General Food Mfg.- under 20,000 sq/ft.	C	P
2000	General Food Mfg.- over 20,000 sq/ft.	N	C
2000	Candy & Other Confectionary Products	C	P
2000	Preparing Feeds for Animals & Fowl	N	C
2000	Brewery (Liquors & Spirits) max. 1,000 sq. ft. and must be in conjunction with a restaurant	C	C
2000	Ice Manufacturing	P	P
2000	Textile Mill Products	N	N
2000	All General Apparel	P	P
2000	Lumber & Wood Products	N	C
2000	Cabinets and Similar furniture & Fixtures - indoor storage and production only	C	P
2000	Pulp Products	N	N
2000	Publishing, Printing, & Misc. Related Work	P	P
2000	Industrial Chemical	N	N
2000	Explosives	N	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted
 *Lindon Village Commercial Zone use permissions are found in LCC 17.48.0251

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial/Industrial	
		MC	LI
2000	Petroleum & Coal Products	N	N
2000	Other Gas Productions	N	N
2000	Candle and wax products manufacturing	C	P
2000	Rubber and Misc. Plastics	N	N
2000	Stone, Clay, Glass, & Associated Products - indoor storage & production only	C	P
2000	Asphalt & Concrete Batch Plants or Road Product Manufacturing - concrete crushing, road base, etc.	N	N
2000	Recycling businesses (indoor processing only. Outdoor product storage areas require site obscuring fencing. Applications must meet SLU compatibility standards.)	N	C
2000	Fabricated Metal Products	N	C
2000	Fabricated Metal products, indoor storage & production only.	C	P
2000	Professional, Scientific, Photographic, Optical instruments & Etc	P	P
2000	Tobacco Products	N	C
2000	Motion Picture production (permanent studios)	P	P
2000	Signs & Advertising	P	P
TRANSPORTATION, COMMUNICATIONS, & UTILITIES			
4000	Railroad Lines Extension & Associated Uses	C	C
4000	Bus Passenger Terminals	P	P
4000	Bus Garaging & Equipment Maintenance	N	P
4000	Motor Freight Terminals	N	C
4000	Motor Freight Garaging & Equipment Maintenance	N	C
4000	Taxicab Terminal/Garage	P	P
4000	Auto Parking Facilities - private	P	P
4000	Telephone Utility Lines - above ground	N	N
4000	Telephone Utility Lines - underground	P	P
4000	Cellular Communication Towers	see Section 5.0	
4000	Television Broadcasting Studios - only	P	P
4000	Television Transmitting Stations & Relay Tower (height of tower may not exceed maximum height of zone)	C	C
4000	Radio & Television Broadcasting Studios (height of any antenna or tower may not exceed maximum height of zone)	C	C
4000	Electric Utility Lines - above ground 35 kV or greater	C	C
4000	Electric Utility Lines - underground	P	P
4000	Electric Utility Lines - above ground and less than 35 kV	N	N
4000	Electricity Regulating Substations	C	C
4000	Gas Utilities - underground	P	P

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*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0252

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial/Industrial	
		MC	LI
4000	Natural or Manufactured Gasoline Storage & Distribution Points	N	N
4000	Gas Pressure Control Stations	N	C
4000	Culinary Water Treatment Plants - Purification	N	P
4000	Water Storage	P	P
4000	Water Pressure Control Stations	P	P
4000	Sewage Treatment Plants	N	N
4000	Sewage Pressure Control Stations	P	P
4000	Solid Waste Disposal & Incineration	N	N
4000	Freight Forwarding Services	P	P
4000	Packing & Crating Services	C	P
4000	Waste Transfer Stations	N	N
WHOLESALE TRADE (Sell for Resale)			
Note: Any permitted (P) wholesale business proposing "outdoor			
5100	Automobiles, Motor Vehicle, & Other Automotive Equipment (outdoor storage of vehicles is permitted)	C	C
5100	Tires & Tubes - indoor storage only	P	P
5100	Drugs, Chemicals & Allied Products - indoor storage only	P	P
5100	Drugs, Drug Proprietaries & Druggists' Sundries - indoor storage only	P	P
5100	Paints & Varnishes - indoor storage only	P	P
5100	Dry Goods, Piece Goods, & Notions - indoor storage only	P	P
5100	Apparel & Accessories - indoor storage only	P	P
5100	Groceries & Food Stuffs - indoor storage only	P	P
5100	Agricultural Commodities (outdoor storage is permitted)	C	C
5100	Electrical Apparatus & Equipment, Wiring Supplies, & Construction Materials - indoor storage only	P	P
5100	Hardware - indoor storage only	P	P
5100	Plumbing & Heating Equipment & Supplies - indoor storage only	P	P
5100	Air Conditioning, Refrigeration Equipment & Supplies - indoor storage only	P	P
5100	Commercial, Industrial, & Agricultural Machine Equipment & supplies (outdoor storage is permitted)	C	C
5100	Professional Equipment & Supplies - indoor storage only	P	P
5100	Transportation equipment, Other Machinery Equipment, & Supplies (Outdoor storage of vehicles & trailers is permitted)	C	C
5100	Metal & Minerals - includes Rock Products, Concrete, Asphalt - excludes liquid petroleum products & scrap	N	N
5100	Petroleum Bulk Stations & Terminals	N	N
5100	Scrap & Waste Materials	N	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0253

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
5100	Tobacco & Tobacco Products - indoor storage only	P	P
5100	Beer, Wine, & Distilled Alcoholic Beverages - indoor storage only	P	P
5100	Paper & Paper Products - indoor storage only	P	P
5100	Furniture & Home furnishings - indoor storage only	P	P
5100	Lumber & Construction Materials (outdoor storage is permitted)	C	C
RETAIL TRADE			
5200	Lumber yards - outdoor storage	C	C
5200	Building Material, Equipment Supplies & Hardware - indoor storage only	P	P
5200	Farm Equipment	C	P
5300	Home Improvement Centers	P	P
5300	Department Stores	P	N
5300	Mail Order Houses	P	P
5300	Limited Price Variety Stores	P	P
5300	Direct Selling Organizations - Call Centers	C	C
5300	Arts, Crafts & Hobbies	P	P
5300	Musical Instruments	P	P
5300	Flea Market - indoor storage only	C	C
5300	Groceries &/or Food	P	P
5300	Farmers Market	C	C
5300	Candy & Other Confectionery Products	P	P
5500	Motorcycles, Personal ATV, Personal Water Craft, & Snowmobile, Sales & Service	C	C
5500	Motor Vehicles/Trucks/Marine - New Vehicle Dealership only	C	P
5500	Used Cars/Trucks - Used Vehicle Sales Lots	N	P
5500	Mobile & Manufactured Homes Sales	C	P
5500	Tires, Batteries, & Accessories	P	P
5500	Gasoline Service Station with or Without Store	P	P
5500	Marine Craft & Accessories	C	P
5500	Aircraft & Accessories	N	P
5600	Clothing, Apparel, & Accessories	P	N
5700	Furniture & Home furnishings - indoor storage only	P	P
5700	Music Supplies	P	P
5800	Restaurants	P	P
5800	Fast Food	P	P
5900	Pharmacy	P	P
5900	Antiques	P	P
5900	Jeweler or Gold, Silver Dealers	P	N
5900	Secondhand Merchants - No outdoor storage except as CUP in LI zone	P	P
5900	Books	P	N
5900	Stationery	P	N
5900	Office Supplies	P	N
5900	Cigars - Cigarettes	P	P

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0254

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
5900	Newspapers/Magazines	P	P
5900	Cameras & Photographic Supplies	P	P
5900	Gifts, Novelties, & Souvenirs	P	N
5900	Florists	P	N
5900	Video Rentals	P	N
5900	Sporting Goods	P	P
5900	Bicycles	P	P
5900	Toys	P	N
5900	Farm & Garden Supplies	P	P
5900	Hay, Grains, & Feed	C	P
5900	Nursery - Plants	P	P
5900	Computer Goods & Services	P	P
5900	Optical Goods	P	N
SERVICES			
6100	Professional Office Uses	P	P
6100	Chartered Banks, Credit Unions and Other Similar Financial Institutions	P	N
6100	Check Cashing and Other Payday Loans or Similar Credit Services	N	N
6100	Security & Commodity Brokers, Dealers, & Exchanges	P	N
6100	Insurance Agents, Brokers, and Related Services	P	N
6100	Real Estate Agents, Brokers, and Related Services	P	N
6100	Title Abstracting	P	N
6200	Laundering and Dry Cleaning Services	P	P
6200	Custom Tailoring	P	N
6200	Laundromats	P	N
6200	House Cleaning	P	P
6200	Commercial Janitorial	P	P
6200	Window Cleaning	P	P
6200	Chimney Sweep	P	P
6200	Photographic Services - Including Commercial	P	P
6200	Beauty & Barber Shops	P	P
6200	Massage Therapy/Personal Care Health Spa	P	P
6200	Funeral Homes	P	N
6200	Crematory Services	N	C
6200	Cemeteries	N	N
6200	Child Day Care - 5 to 16 children (4 or less not regulated)	C	N
6200	Commercial Adult Day Care Facility	Section 17.70 and	
6200	Commercial Preschool	P	N
6200	Catering Services	P	P
6200	Wedding Reception Centers	P	N
6300	Advertising Services - General	P	P
6300	Direct Mail Advertising	P	P
6300	Travel Services	P	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted
 *Lindon Village Commercial Zone use permissions are found in LCC 17.48.0255

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
6300	Private Postal Services	P	P
6300	Blueprinting & Photocopying	P	P
6300	Disinfecting & Exterminating	C	P
6300	Locksmithing	P	P
6300	News Syndicate	P	P
6300	Employment Services	P	N
6300	Vault Security Storage - Mini-Storage (outdoor storage by Conditional Use only and is limited to 15% of total storage space and limited to personal recreational vehicles)	P	P
6300	Research, Development, & Testing Services	P	P
6300	Business & Management Consulting	P	P
6300	Detective & Protective Services	P	P
6300	Heavy Equipment Rental & Leasing; Vehicles over 26,000 GVW	N	P
6300	Light Equipment Rental & Leasing; Automobile & Light-Truck Rental (No vehicles over 26,000 GVW)	P	P
6300	Photo-Finishing	P	P
6300	Stamp Trading	P	P
6300	Motion Picture Distribution & Services	P	P
6411	Automobile Wash	P	P
6411	Auto Lube & Tune-up	P	P
6411	Auto Tire Shops / Tire Sales / Tire Services	P	P
6411	General Auto / Vehicle Repair	C	C
6400	Wrecking Yards	N	N
6400	Impound Yards	N	C
6400	Small Engine, Appliance, Electrical, & Machine Repair	C	C
6400	Watch, Clock, & Jewelry Repair	P	P
6400	Re-Upholstery & Furniture Repair	P	P
6513	Medical, Dental, & Health Clinic Services / small, outpatient type services	P	N
6513	Hospital Services	C	N
6500	Medical & Dental Laboratories	P	P
6500	Veterinarian Services, Animal Hospitals - small animals only	C	C
6500	Veterinarian Services, Animal Hospitals - large animals	N	C
6500	Legal Services	P	P
6500	Engineering & Architectural	P	P
6500	Educational & Scientific Research	P	P
6500	Accounting, Auditing & Bookkeeping	P	P
6500	Urban Planning	P	P
6500	Auction Services - Indoor Only	P	P
6500	Family & Behavioral Counseling	P	N
6500	Genealogical - Family History Services	P	N
6500	Interior Design	P	P
6600	Building Construction - General Contractor, Office & Storage	C	P

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted

*Lindon Village Commercial Zone use permissions are found in LCC 17.48.0256

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial	
		MC	LI
6600	Landscaping Service, Office & Storage	C	P
6800	Private Primary & Secondary Schools	C	C
6800	Universities & Colleges	C	C
6800	Professional & Vocational Schools	C	C
6800	Martial Arts Studios	P	P
6800	Barber & Beauty Schools	P	N
6800	Art & Music Schools	P	P
6800	Dancing, Tumbling, and Gymnastics Schools	P	P
6800	Driving Schools	P	P
6911	Churches, Synagogues & Temples	C	N
6800	Adoption Agencies	P	N
6800	Professional Members Organizations	P	C
6800	Labor Unions & Similar Labor Organizations	P	C
6800	Civic, Social & Fraternal Associations	P	C
PUBLIC ASSEMBLIES & AMUSEMENTS			
7100	Libraries	P	N
7100	Museums	P	N
7100	Art Galleries	P	N
7100	Planetaria, Aquariums, Botanical Gardens, & Arboretums	P	N
7100	Zoos	N	N
7100	Sexually-Oriented Businesses	Section 8.30 and	
7100	Amphitheaters	C	N
7100	Motion Picture Theaters	P	N
7100	Stage Theater	P	N
7100	Dance Clubs/Music Venues	C	C
7100	Stadiums	C	C
7100	Arenas / Field Houses	C	C
7100	Auditoriums & Exhibit Halls	C	N
7100	Convention Centers	P	C
7100	Fairgrounds	P	C
7100	Amusements Parks	C	N
7100	Arcades & Miniature Golf	P	N
7100	Golf Driving Ranges	C	C
7100	Go-Cart Tracks	N	C
7100	Golf Courses &/ or Country Clubs	N	C
7100	Tennis Courts - Private	P	C
7100	Roller Skating & Blading	P	C
7100	Skate Board Parks - Private	N	C
7100	Skate Board Parks - Publicly Owned	Section III - Appen	
7100	BMX Biking Tracks & Facilities	N	C
7100	ATV / Motorcycle Tracks	N	N
7100	Riding Stables - Commercial	P	C
7100	Bowling Lanes	P	N
7100	Play Fields & Athletic Fields - Commercial	N	C
7100	Recreation Centers - General	P	C
7100	Gymnasium & Athletic Clubs	P	C
7100	Swimming Pools - Commercial	P	N

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted
 *Lindon Village Commercial Zone use permissions are found in LCC 17.48.0257

STANDARD LAND USE TABLE BY ZONE

Parking Group	Permitted Primary Uses	Commercial/Industrial	
		MC	LI
7100	Indoor Soccer Facilities	P	C
7100	Indoor Gun Ranges	C	C
7100	Water Slides	P	N
7100	Parks - General Recreation - Public Property	P	P
7100	Campgrounds	N	N
AGRICULTURE & RESOURCE EXTRACTION			
N/A	Commercial Farms & Ranches producing Pigs, Turkeys, Mink, or Chickens products	N	N
N/A	Agricultural Related Activities: Commercial Production - large scale	C	C
N/A	Horticultural Services	C	C
N/A	Forestry & Timber Production	N	N
N/A	All Fisheries & Fish Hatcheries	N	C
N/A	All Mining & Related Services	N	N
N/A	All Resource Production & Extraction	N	N
N/A	Peat Extraction	C	C
See LCC 17.18	CF zone (Commercial Farm) uses - See LCC 17.51		
UNCLASSIFIED			
N/A	All unclassified items	II of SLU Table (

C = Conditional Use, N = Not Permitted, N/A = Not Applicable, P=Permitted
 *Lindon Village Commercial Zone use permissions are found in LCC 17.48.0258

ORDINANCE NO. 2017-6-O

AN ORDINANCE OF THE CITY COUNCIL OF LINDON CITY, UTAH COUNTY, UTAH, AMENDING PORTIONS OF THE LINDON CITY ZONING MAP FROM PUBLIC FACILITIES TO LIGHT INDUSTRIAL AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Municipal Council of Lindon City finds it is necessary to amend portions of the Lindon City Zoning Map, specifically the property generally located at 2100 West 600 South, otherwise identified by a portion of Utah County Parcel #17:023:0012 (See map labeled as Exhibit A) from Public Facilities to Light Industrial, finding that approval of such would benefit the City; and

WHEREAS, the City finds it is necessary to amend the Zoning Map to accommodate a growing industry within the City; and

WHEREAS, the property in question is currently adjacent to Industrial property and associated uses; and

WHEREAS, the revision of such provisions will assist in carrying out general plan goals related to the promotion of businesses and industry within the City, and said changes are compatible with land use guidelines as found in the General Plan; and

WHEREAS, a public hearing was held May 23, 2017 to receive public input and comment; and

WHEREAS, the Council held a public hearing May 23 and June 6, 2017 to consider the request; and

WHEREAS, the current Zoning Map should be amended to provide such provisions to the Municipal Code of Lindon City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Lindon City, Utah County, State of Utah, the Lindon City Zoning Map is hereby amended and will read as follows:

SECTION I:

See Exhibit A showing parcel changing from Public Facilities to Light Industrial on the Lindon City Zoning Map.



SECTION II: The provisions of this ordinance and the provisions adopted or incorporated by reference are severable. If any provision of this ordinance is found to be invalid, unlawful, or unconstitutional by a court of competent jurisdiction, the balance of the ordinance shall nevertheless be unaffected and continue in full force and effect.

SECTION III: Provisions of other ordinances in conflict with this ordinance and the provisions adopted or incorporated by reference are hereby repealed or amended as provided herein.

SECTION IV: This ordinance shall take effect immediately upon its passage and posting as provide by law.

PASSED and ADOPTED and made EFFECTIVE by the City Council of Lindon City, Utah, this _____ day of _____, 2017.

 Jeff Acerson, Mayor

ATTEST:

 Kathryn A. Moosman,
 Lindon City Recorder

SEAL

II. Review & Action — Leasing Listing Agreement for City Center Basement Offices (10 minutes)

The City Council will review and consider an Exclusive Leasing Listing Agreement with Coldwell Banker Commercial Advisors for marketing and handling of lease agreement transactions for approximately 2,400 sq/ft of basement office space at 100 N. State Street. The office area was vacated by the Police Department when the Public Safety Building was completed. Leasing the office space will help offset other city expenses and utilize the space that is not anticipated to be used in the next several years.

Below are photos of the area to be leased for the next 3 to 5 years, or until the City needs to utilize the space for its own needs. The private office space is 2,396 sq/ft with 583 sq/ft of shared space (lobby & restrooms). After paying realtors fees, the Realtors believe the space will net about \$9.00 per sq/ft annually (approx. \$26,811). Some minor remodeling will be required to repair where the prior police holding cells were located. The space has a separate entrance and reception area and can be easily secured from the rest of the City Center building. It will accommodate an office type use with 10-15 people. The City will be able to select the tenant and must approve future terms of any lease. This contract is just to enter into an agreement with the Realtor (CBC Advisors) to list and market the space.

Sample Motion: I move to (approve, deny, continue) the Leasing Listing Agreement with Coldwell Banker Commercial Advisors for the City Center basement office space.





EXCLUSIVE LEASING LISTING AGREEMENT

May 25, 2017

1. In consideration of the listing for lease of the real property hereinafter described ("the Property") by Coldwell Banker Commercial Advisors, ("Broker"), and Broker's agreement to use its best efforts to effect a lease or leases of the same, the undersigned ("Owner") hereby grants to Broker and John Monson, as Broker's designated agent(s), the EXCLUSIVE RIGHT to locate potential tenants and negotiate terms and conditions acceptable to Owner for the lease of the Property for a period commencing May 25, 2017, and continuing indefinitely, however, either party may cancel with 30 day prior written notice.

The Property is situated in the City of Lindon, County Utah, State of Utah is located at 100 North State Street.

2. Owner agrees to pay Broker a leasing commission in accordance with Broker's Schedule of Sale and Lease Commissions ("Schedule"), a copy of which is executed by Owner, attached hereto and hereby made a part hereof. This commission shall be earned and paid for services rendered if, during the Term: (a) All or any portion of the Property is leased to a tenant (by Broker, Owner, or anyone else); (b) A tenant is procured (by Broker, Owner, or anyone else) who is ready, willing and able to lease the Property on the terms above stated, or on any other terms agreeable to Owner; (c) Any contract procured by Broker or Broker's agents for the lease of all or any portion of the Property is entered into by Owner; or (d) Owner removes the Property from the market.

3. Owner further agrees that Owner shall pay broker the aforementioned commission if, within ninety (90) days after the expiration of the Term, the Property or any portion thereof is leased or negotiations commence and thereafter continue leading to the execution of a lease with any person or entity to whom Broker has submitted the Property prior to the expiration of the Term in an effort to effect a lease of the Property. Broker agrees to submit a list of such persons or entities to Owner not later than fifteen (15) days following the expiration of the Term or the termination of this Agreement, provided, however, if Broker has submitted a written offer it shall not be necessary to include the offeror's name on the list.

4. By signing this Agreement, Owner designates Broker and its designated agent(s) as Owner's Agent. Broker will represent Owner and will work diligently to locate a Tenant for the Property, Owner also authorizes Broker to appoint additional or other agents in the brokerage to represent Owner in the event the agent(s) designated herein become temporarily unavailable to service this Agreement. As the Owner's Agent, Broker and its designated agent(s) will act consistent with their fiduciary duties to Owner of loyalty, full disclosure, confidentiality, and reasonable care. Owner understands, however, that the Owner's Agent and Broker may now, or in the future, agree to act as agent for a Tenant who may wish to negotiate a lease of the Property. Then the Owner's Agent and Broker would be acting as Limited Agent representing both Owner and the Tenant at the same time.

Limited Agency is allowed under Utah law only with the informed consent of the Tenant and Owner. For consent to be informed, Owner and Tenant must understand that conflicting duties of disclosure, loyalty and confidentiality to each party may arise. To resolve these conflicting duties, the Limited Agent will be bound by a further duty of neutrality. Being neutral, the Limited Agent will not disclose to either party information likely to weaken the bargaining position of the other, for example, the highest price the Tenant will offer or the lowest price the Owner will accept. However, the Limited Agent must disclose to both parties material information known to the Limited Agent regarding a defect in the property and the inability of the other party to fulfill all obligations under their agreement.

By initialing here, Owner understands and consents that Owner's Agent and Broker are authorized to represent both Owner and Tenant as Limited Agents when Owner's Agent presents a tenant for the Property. When another agent from Coldwell Banker Commercial Advisors presents a Tenant, that agent will exclusively represent the Tenant as a Tenant's Agent, and Owner's Agent will exclusively represent Owner as Owner's Agent, and the Broker is authorized to act as a Limited Agent.

5. OWNER FURTHER AGREES THAT IN THE EVENT THAT THE PROPERTY IS SOLD DURING THE TERM OR THE PROTECTION PERIOD TO A PERSON OR ENTITY DESCRIBED IN PARAGRAPH 3 ABOVE, OWNER SHALL PAY BROKER A SALES COMMISSION IN ACCORDANCE WITH THE SCHEDULE.

6. It is understood that it is illegal for either Owner or Broker to refuse to display or sell or lease the Property to any person because of race, color, religion, national origin, sex, marital status or physical disability.

7. Owner agrees to cooperate with Broker in effecting leases of the Property and to immediately refer to Broker all inquiries of anyone interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective purchaser. Broker is further authorized to advertise the Property and to place a "For Lease" sign or signs on the Property if, in Broker's opinion, such would facilitate the leasing of the Property.

8. Broker and its agents are trained in the marketing of real estate. Neither Broker nor its agents are trained to provide Owner with legal or tax advice, or with technical advice regarding the physical condition of the property. Accordingly, neither the Broker nor its agents will make any representations or warranties regarding the physical or legal condition of any property including, but not limited to: past or present compliance with zoning and building code requirements or the exact square footage or acreage of the property. BROKER STRONGLY RECOMMENDS THAT THE OWNER ENGAGE THE SERVICES OF APPROPRIATE PROFESSIONALS TO OBTAIN COMPETENT LEGAL OR TAX ADVICE AND/OR TO CONDUCT INSPECTIONS, INVESTIGATIONS, TESTS, SURVEYS, AND OTHER EVALUATIONS OF THE PROPERTY OR ANY PROPOSED CONTRACTS REGARDING THE PROPERTY. IF OWNER FAILS TO DO SO, OWNER IS ACTING CONTRARY TO THE ADVICE OF BROKER.

9. Owner agrees to indemnify and hold Broker harmless for any damage to Broker as a result of any and all claims, disputes, litigation or judgments arising from any incorrect information supplied by Owner, or from any material fact known by Owner concerning the property, which Owner fails to disclose. Owner represents that it is the lawful owner of the Property.

10. This agreement shall be binding in all respects upon, and shall inure to the benefit of the Parties and their respective heirs, successors and assigns, employees, agents and representatives, subrogees, and to all persons or entities claiming by, through or under them.

11. This Agreement shall be governed by the law of the State of Utah. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Furthermore, all other provisions not so prohibited or unenforceable shall remain effective.

12. This Agreement constitutes the entire agreement between Broker and Owner and a complete merger of all prior negotiations and agreements. This Agreement represents the entire understanding between Broker and Owner, and there are no written or oral agreements between them which are not set forth herein. None of the provisions of this Agreement may be changed, discharged or terminated orally and may only be modified in writing.

13. Every dispute concerning the interpretation or effect of this Agreement, if not first submitted to mediation, shall be resolved in the Third Judicial District Court in and for Salt Lake County, State of Utah. To the maximum extent permitted by law, Owner and Broker consent and voluntarily submit themselves to the personal jurisdiction, subject matter jurisdiction and venue of said court. If there is a failure to make any payment at the time required herein, the delinquent sum(s) shall bear interest at the rate of 18% per year or the maximum nonusurious interest rate for loans permitted by law, whichever is lower.

14. In the event that a party breaches this Agreement, such breaching party shall pay, in addition to any other liability, all costs and expenses incurred by or on behalf of the non-breaching party or its successor-in-interest in enforcing, or in exercising any remedies under this Agreement, including but not limited to reasonable attorneys' fees, whether or not any action or proceeding is brought to enforce the provisions hereof.

15. The Parties agree to execute and deliver any and all additional papers, documents, instruments, and other assurances, and shall do any and all acts and things reasonably necessary, in connection with the performance of their obligations hereunder, to carry out the intent of the Parties as expressly stated in this Agreement.

16. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all such counterparts shall constitute one and the same Agreement. Facsimile and electronic signatures shall have the same force and effect as original signatures.

The undersigned Owner hereby acknowledges receipt of a copy of this Agreement and the Schedule.

Coldwell Banker Commercial Advisors
6550 South Millrock Drive, Suite 200
Salt Lake City, UT 84121
(801) 947-8300 Fax (801) 947-8301
Salt Lake City, UT 84121

Owner: _____

Address: _____

Telephone: _____

E-Mail: _____

By: _____

By: _____

Title: Broker _____

Title: _____

Date: _____

Date: _____



SCHEDULE OF SALE AND LEASE COMMISSIONS

For Property located at: 100 North State Street, Lindon, UT 84042

Owner: _____

A. LEASES OR SUBLEASES:

Commissions shall be earned and payable on execution of a lease by Owner and a tenant, in accordance with the following rates:

- 6% of the total gross rental (meaning rent & operating expenses) for the first 5 years, plus
- 3% of the total gross rental (meaning rent & operating expenses) for the remainder of the term.

Total commission shall be equal to or greater than the 1st month's gross rental.

The above rates are subject to the following provisions:

1. *Term of More Than 10 Years:*

If a lease term is in excess of 10 years then the commission shall be calculated only upon the gross rental to be paid for the first 10 years of the lease term

2. *Month to Month Tenancy:*

The commission shall be equal to the first month's gross rental.

3. *Option to Extend Lease or Occupy Additional Space:*

Should a lease term be extended or a tenant occupy additional space by virtue of an option or other provision in its lease, or through subsequent modification of such provisions, then Owner shall pay a leasing commission in accordance with the provisions of this Schedule on the additional gross, rental to be paid, calculated at the commission rate applicable hereunder to the years of the lease in which the additional gross rental is payable. Said commission shall be earned and payable at the time the extended term commences or the additional space is occupied.

4. *Purchase of Property by Tenant:*

Should a tenant, its successors or assignees, or any agent, officer, employee or shareholder of a tenant purchase the property pursuant to an option, right of first refusal, or other provision in the tenant's lease, or through subsequent modification of such provisions during (a) the term of the lease, (b) any extension thereof, or (c) within ninety days after the expiration thereof, then a sales commission shall be calculated and paid in accordance with the provisions of Section A above; provided however, that there shall be a credit against such sales commission in the amount of lease commissions previously paid to Broker relating to that portion of the purchaser's lease term which is cancelled by reason of such sale. In no event shall such credit exceed the amount of such sales commission. Commission for such Sale is _____ percent (%) of the gross selling price.

5. *Percentage Rent:*

As to any lease which contains a percentage rent clause, Owner shall pay a commission on the percentage rent payable by the tenant at the commission rate applicable to the period of the lease term for which the percentage rent is payable, This commission shall be payable within fifteen days after the tenant's final payment and accounting of percentage rent for the preceding lease year, Notwithstanding the foregoing, at the end of the third full lease year Owner shall pay a commission on percentage rent for the remainder of the original term of the lease For the purpose of calculating this commission, the percentage rent for each remaining year of the term of the lease shall be deemed to be the same amount as the percentage rent payable for the third full lease year.

The provisions hereof are subject to the terms and provisions of any Exclusive Sales Listing Agreement, Exclusive Leasing Listing Agreement, Exclusive Subleasing Listing Agreement or other agreement to which this Schedule may be attached and which is executed by the parties hereto.

In the event Owner fails to make payments within the time limits set forth herein, then from the date due until paid the delinquent amount shall bear interest at the maximum rate permitted in the state in which the office of Broker executing this Schedule is located. If Broker is required to institute legal action against Owner relating to this Schedule or any agreement of which it is a part, Broker shall be entitled to reasonable attorney's fees and costs, Venue for any legal action, mediation or arbitration will be Salt Lake County, Utah.

Owner hereby acknowledges receipt of a copy of this Schedule and agrees that it shall be binding upon its heirs, successors and assignees. The term "Owner" as used herein shall be deemed to include the owner of property, a tenant under a ground lease and a tenant of property wishing to effect a sublease, lease assignment, or lease cancellation. The term "tenant" as used herein shall be deemed to include any subtenant, or assignee of a tenant, and the term "lease" shall be deemed to include a sublease or lease assignment.

APPROVED this ____ day of _____, 20__

APPROVED this ____ day of _____, 20__

**Coldwell Banker Commercial
Advisors**

Owner

By: _____
Broker

By: _____

By: _____
Agent

Title: _____

12. Public Hearing — Ordinance Update; LCC 2.44 ‘Elections’. Ordinance #2017-7-O *(10 minutes)*

The City Council will review and consider city initiated updates to Lindon City Code Chapter 2.44 ‘Elections’ to bring the current code into conformance with recent changes in election laws of the State of Utah.

The City Attorney prepared the attached ordinance changes and recommends approval based on needed updates for the City’s election ordinance to be in conformance with current State code. See attached ordinance.

Sample Motion: I move to (approve, deny, continue) Ordinance #2017-7-O updating the City’s Election ordinance to conform to State code.

ORDINANCE NO. 2017-7-O

AN ORDINANCE AMENDING TITLE 2, CHAPTER 44 “ELECTIONS” OF THE LINDON CITY CODE TO COMPLY WITH RECENT CHANGES IN THE ELECTION LAWS OF THE STATE OF UTAH AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Lindon City is a political subdivision of the State of Utah; and

WHEREAS, the Lindon City Council has previously adopted ordinances regulating the process for holding elections for elected office within the City; and

WHEREAS, said ordinances are required to be consistent with State law; and

WHEREAS, the Utah State Legislature has over time amended the state election code; and

WHEREAS, Lindon City Council finds that it is in the best interest of the citizens of Lindon City to maintain the City Code so as to be consistent with State law; and

WHEREAS, on June 6, 2017, the Lindon City Council held a duly noticed public meeting to consider said amendments; and

WHEREAS, at the public meeting, the Lindon City Council is satisfied that the proposed amendments to Chapter 2.44 of the Lindon City Code are in the best interest of the public

NOW, THEREFORE, BE IT ORDAINED by the Lindon City Council as follows:

SECTION I: AMENDMENT AND ADOPTION

Chapter 2.44 of the Lindon City Code is Amended and Adopted as follows:

**CHAPTER 2.44
ELECTIONS**

Sections:

- 2.44.010 Definitions
- ~~2.44.020~~ Municipal election--Term of office.
- ~~2.44.030~~ Election of officers.
- ~~2.44.040~~ Determining two and four year terms.
- ~~2.44.050~~ Primary Elections.
- ~~2.44.060~~ Individuals ~~Persons~~-eligible to register and vote--Exceptions.
- ~~2.44.070~~ Declaration of Candidacy Requirements.
- ~~2.44.080~~ Nomination of Candidates.
- ~~2.44.090~~ Write in Candidates.
- ~~2.44.100~~ Certification of Candidates - Objection to Candidates.
- ~~2.44.110~~ Campaign Materials on City Property Prohibited.

- 2.44.120110 Tie Votes.
- 2.44.130120 Residency Required After Election.
- 2.44.140130 Campaign Finance Disclosure.
- 2.44.150 Adoption of State Election Code by Reference.

2.44.010 Definitions.

For purposes of this Chapter the terms identified below shall have the follow meanings:

1. AGENT OF A CANDIDATE:
 - a. Any individual acting on behalf of a Candidate at the direction of the Reporting Entity;
 - b. Any individual employed by a Candidate in the Candidate's capacity as a candidate;
 - c. The personal campaign committee of a Candidate;
 - d. Any member of the personal campaign committee of a Candidate in the member's capacity as a member of the personal campaign committee of the candidate; or
 - e. A political consultant of a Candidate.
2. ANONYMOUS CONTRIBUTION LIMIT: An amount of \$50.00 and is from an unknown source.
3. CANDIDATE: An individual who files a declaration of candidacy for municipal office or who receives contributions, makes expenditures, or gives consent for any other individual to receive contributions or to make expenditures to bring about the individual's election to a municipal office.

Candidate does not include an individual who filed for the office of judge of the Lindon City Justice Court.

4. CONTRIBUTION:
 - a. A Monetary Contribution;
 - b. A gift, subscription, donation, loan, advance, or anything of value given to a candidate;
 - c. A contract, promise or agreement to make a gift, subscription, donation, loan, advance, or deposit of money or anything of value to the Candidate
 - d. Any transfer of funds from another Reporting Entity to the Candidate;
 - e. Compensation paid by any individual or Reporting Entity, other than the Candidate, for personal services provided without charge to the Candidate;
 - f. A loan made by a Candidate deposited to the Candidate's own Campaign; or
 - g. Any In-Kind Contribution.

A Contribution DOES NOT include:

- h. Services provided by an individual volunteering the individual's time on behalf of the Candidate if the services are provided without compensation by the Candidate, an Agent of the Candidate, or any other person;

- i. Money lent to the candidate by a financial institution in the ordinary course of business; or
 - j. Goods or services provided for the benefit of a candidate at less than fair market value that were not authorized by or coordinated with the Candidate or an Agent of the Candidate.
5. COORDINATING WITH THE CANDIDATE: Providing services or goods for the benefit of a Candidate or using official logos, slogans, or elements belonging to, or owned by the Candidate, with the prior knowledge or agreement of the Candidate or an Agent of the Candidate.
6. EXPENDITURE:
- a. Any disbursement from a campaign account in a financial institution of contributions or receipts;
 - b. A purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of value made for political purposes;
 - c. An express, legally enforceable contract, promise, or agreement to make any purchase, payment, donation, distribution, loan, advance, deposit, gift of money, or anything of value for a political purpose;
 - d. Compensation paid by a Candidate or an Agent of the Candidate for personal services rendered by an individual without charge to a reporting entity; or
 - e. Goods or services provided by a reporting entity for the benefit of the Candidate for political purposes at less than fair market value.
- Expenditure does not include services provided without compensation by an individual volunteering the individual's time on behalf of the Candidate.
7. IN-KIND CONTRIBUTION: Anything of value other than money, that is accepted the Candidate, an Agent of the Candidate, or through Coordinating with the Candidate.
8. MONETARY CONTRIBUTION: A Contribution given a Candidate or an Agent of the Candidate of any money or credit made in cash, check, or any electronic transfer.
9. POLITICAL CONSULTANT: An individual who is paid by a Candidate, or paid by another person on behalf of, and with the knowledge of the Candidate, to provide political advice to the Candidate and includes individuals who:
- a. Have already been paid with money or other consideration;
 - b. Expects to be paid in the future with money or other consideration; or
 - c. Understands that they may be paid in the future, with money or other consideration, at the discretion of the Candidate, or another person on behalf of and with the knowledge of the Candidate.
10. POLITICAL PURPOSES: An act done with the intent or in a way to influence or tend to influence, directly or indirectly, any individual to refrain from voting or to vote for or against any candidate or an individual seeking a municipal office at any caucus, political convention, or election.

11. REPORTING ENTITY:

- a. A Candidate;
- b. A committee appointed by a Candidate to act for the Candidate;

12. REPORTING LIMIT: An amount of \$50.00.

2.44.020010 Municipal Election--Term of Office.

1. A municipal general election shall be held in Lindon City on the first Tuesday after the first Monday in November of each odd-numbered year. At the municipal general election, the voters shall:
 - a. choose individuals person-to serve as municipal officers to fill all elective offices vacated by 12:00 noon on the first Monday in January following the election; and
 - b. approve or reject any proposed initiatives or referenda that have qualified for the ballot as provided by law and any other ballot propositions submitted to the voters that are authorized by the Utah Code.
2. The officers elected shall continue in the office to which they were elected for four years except in case of death, resignation, removal, or disqualification from office. The officers so elected shall begin their term of office at 12 o'clock noon on the first Monday in January following their election.

244.030020 Election of Officers.

The election and terms of office shall be as follows:

1. The offices of mayor and two councilmen shall be filled in municipal elections held in every fourth year after 1977. Their terms shall be for four years.
2. The offices of the other three councilmen shall be filled in municipal elections held in every fourth year after 1979. The terms shall be for four years.
3. The officers shall be elected in at-large elections which are held at the time and in the manner provided for electing municipal officers.
4. On or before May 1 in a year in which there is a municipal general election, the City Recorder shall publish a notice identifying the municipal offices to be voted upon in the general municipal election which satisfies the requirements of § 10-3-301 Utah Code (1953, as amended).

2.44.040030 Determining Two and Four Year Terms.

Where both two and four year terms are to be filled by election or appointment, the election ballot or appointment shall clearly state which individuals persons-are to be elected or appointed to the shorter term and to the longer term.

2.44.050040 Primary Elections.

Lindon City shall utilize the primary election procedure established by Utah Code Annotated §20A-9-404 and §20A-1-201.5, Utah Code (1953, as amended), as the procedure to establish

candidates for municipal offices if the number of candidates for any particular city office exceeds twice the number of ~~individuals~~~~persons~~ needed to fill that office.

2.44.060050 Individuals Persons Eligible to Register and Vote--Exceptions.

Any ~~person~~~~Individual~~ who is eligible or qualified to vote in a general election may register and vote in a municipal election in Lindon City, except:

1. an ~~individual~~~~person~~ involuntarily confined in a jail or prison within Lindon City who was not a resident of Lindon City prior to confinement or incarceration; or
2. an ~~individual~~~~person~~ who resides outside the boundaries of the Lindon City; or
3. an ~~individual~~~~person~~ who has not registered to vote within the time and in the manner prescribed by Chapter 2, Title 20A, Utah Code (1953, as amended).~~U.C.A., 1953.~~

2.44.070060 Declaration of Candidacy Requirements.

1. Each ~~individual~~~~person~~ seeking to become a candidate for municipal office shall file a declaration of candidacy, which complies with the requirements described in § 20A-9-203 of the Utah Code (1953, as amended), in person with the City Recorder during office hours and not later than 5 p.m. between ~~July~~~~June~~ 1 and ~~July 15~~~~June 7~~ of any odd numbered year. When ~~July 15~~~~June 7~~ is a Saturday, Sunday, or holiday, the filing time shall be extended until 5 p.m. on the following business day. The declaration of candidacy shall be filed in person by the individual seeking to be a candidate, or by the individual's agent, provided the requirements of § 20A-9-203(5) Utah Code (1953, as amended) are properly satisfied.
2. Before filing a declaration of candidacy for election to any City office, an ~~individual~~~~person~~ shall:
 - a. be a registered voter;
 - b. have resided within the boundaries of Lindon City for at least 12 consecutive months immediately preceding the date of the election. In the case of annexation by Lindon City, any ~~person~~~~individual~~ who has resided in the territory annexed for the prescribed 12-month period is deemed to meet the residence requirements for candidacy in Lindon City;
 - c. not have had their right to hold public office restricted pursuant to Article IV, Section 6 of the Utah Constitution ~~and or U.C.A. §20A-2-101.5, Utah Code (1953, as amended).~~
3. An ~~individual~~~~person~~ seeking to file a declaration of candidacy may not:
 - a. be a candidate for more than one office, including offices within Lindon City, the state of Utah, or any other political subdivision of the state, during any election year;
 - b. be the candidate of more than one political party; or
 - c. be a current employee of Lindon City.
4. Before accepting any declaration of candidacy, the filing officer shall;

- a. read to the prospective candidate the constitutional and statutory qualification requirements for the office that the candidate is seeking; and
 - b. Require the Candidate to state whether or not the Candidate meets those requirements.
5. If the prospective Candidate states that ~~he- they does-do~~ not meet the qualification requirements for the office, the filing officer may not accept the prospective Candidate's declaration of candidacy. If the Candidate states that ~~theyhe~~ meets the requirements of candidacy, the filing officer shall:
- a. provide the Candidate with a copy of the pledge of fair campaign practices described under Section 20A-9-206 Utah Code (1953, as amended), and inform the Candidate that signing the pledge is voluntary and that signed pledges shall be filed with the city for public inspection;
 - b. accept the Candidate's declaration of candidacy;
 - c. if the Candidate has filed for a partisan office, provide a certified copy of the declaration of candidacy to the chair of the county or state political party of which the Candidate is a member; and
 - d. if the Candidate elects to sign the pledge of fair campaign practices, the filing officer shall accept the candidate's pledge and provide a certified copy of the candidate's pledge to the chair of the county or state political party of which the candidate is a member if the candidate has filed for a partisan office.
6. The form of the declaration of candidacy shall be as established by Utah Code Annotated § 20A-9-~~206~~203, Utah Code (1953, as amended).~~1953 as amended~~.

2.44.080070 Nomination of Candidates.

1. Any resident of Lindon City may nominate a candidate for a city office by filing a nomination petition with the City Recorder or Town Clerk during office hours but not later than 5 p.m. between ~~July-June~~ 1 and ~~July-15- June 7~~ of any odd numbered year. When ~~July-15~~June 7 is a Saturday, Sunday, or holiday, the filing time shall be extended until 5 p.m. on the following business day.
2. The nomination petition must be signed by 25 residents of Lindon City who are at least 18 years old.
3. The form of the nomination petition shall be as established by Utah Code Annotated § 20A-9-203, Utah Code (1953, as amended).~~1953 as amended~~.

2.44.090080 Write in Candidates.

1. Each ~~individual person~~ wishing to become a valid write-in Candidate shall file a declaration of candidacy with the City Recorder not later than ~~30-60~~ days before the regular municipal general election. If the filing deadline falls on a weekend or holiday, it shall be extended to the next regular business day.
2. The City Recorder shall;

- a. read to the Ceandidate the constitutional and statutory requirements for the office as required in this chapter; and
 - b. ask the Ceandidate whether or not the Ceandidate meets the requirements. If the Ceandidate cannot meet the requirements of office, the filing officer may not accept the write-in Ceandidate's declaration of candidacy.
3. A voter may cast a write-in vote by entering the name of a valid write-in Ceandidate on a paper ballot or ballot sheet or in the areas designated on any other form of ballot provided.

2.44.10090__ Certification of Candidates - Objection to Candidates.

1. The City Recorder shall verify with the county clerk that all candidates are registered voters. Any Ceandidate who is not registered to vote is disqualified and the recorder may not include the Ceandidate's name on the ballot.
2. Immediately after expiration of the period for filing a declaration of candidacy, the City Recorder shall:
 - a. cause the names of the candidates as they will appear on the ballot to be published in at least two successive publications of a newspaper with general circulation in Lindon; and
 - b. notify the lieutenant governor of the names of the candidates as they will appear on the ballot.
3. A declaration of candidacy or nomination petition is valid unless a written objection is filed with the clerk within five days after the last day for filing. If an objection is made, the clerk shall:
 - a. mail or personally deliver notice of the objection to the affected Ceandidate immediately; and
 - b. decide any objection within 48 hours after it is filed.
4. If the City Recorder sustains the objection, the Ceandidate may correct the problem by amending the declaration or petition within three days after the objection is sustained or by filing a new declaration within three days after the objection is sustained.
5. The City Recorder's decision on an objection to form is final. Challenges to the City Recorder's decision ~~upon objections on substantive matters~~ shall be made pursuant to U.C.A. § 20-9-203 Utah Code (1953, as amended).

2.44.11040__ Campaign Materials on City Property Prohibited.

No Ceandidate for any public office, including city, county, state, or federal offices or the offices of any other political subdivision of the state or federal government, may place campaign signs or materials on Lindon City property. This section shall in no way be interpreted as prohibiting any Ceandidate or citizen from engaging in political speech in public or in displaying such materials on private property.

2.44.12040__ Tie Votes.

1. If two or more candidates for a position have an equal and the highest number of votes for any office, the election officer shall determine by lot which candidate is selected in a public meeting in the presence of each individual person subject to the tie within 30 days of the canvass or within 30 days of the recount if one is requested or held.
2. For any primary election, if two or more candidates for a position have an equal and the highest number of votes for any office, the election officer shall determine by lot which candidate is selected in a public meeting in the presence of each individual person subject to the tie within five days of the canvass or within five days of the recount if one is requested or held.

2.44.130120 Residency Required After Election.

Each elected Lindon City officer shall maintain residency within the boundaries of Lindon City during his term of office. If an elected officer established his place of residence, as provided in U.C.A. §20-2-14, Utah Code (1953, as amended)1953, outside the boundaries of Lindon City during his term of office, the office is automatically vacant. If an elected Lindon City officer is absent from Lindon City any time during his term of office for a continuous period of more than 60 days without the consent of the city council, the office is automatically vacant.

2.44.140130 Campaign Finance Disclosure.

1. Deposit of Monetary Contributions: Each Candidate:
 - a. Shall deposit a Monetary Contribution in a separate campaign account in a financial institution; and
 - b. May not deposit or mingle any Monetary Contributions received into a personal or business account.
2. Anonymous Contributions: Within 30 days of receiving a contribution that exceeds the Anonymous Contributions Limit, a candidate shall disburse the amount of the Anonymous Contribution to either:
 - a. The Utah State Treasurer for deposit into the State's general fund;
 - b. The Lindon City Clerk for deposit into the City's general fund; or
 - c. An organization that is exempt from federal income taxation under section 501(c)(3), internal revenue code.
3. In a year in which a municipal primary is held, each Candidate who will participate in the municipal primary shall file a campaign finance statement with the municipal clerk or recorder no later than seven days before the primary election
4. Each Candidate for municipal office who is not eliminated at a municipal primary election shall file with the City Recorder a campaign finance statement as described in this Chapter:
 - a. no later than seven days before the date of the municipal general election; and
 - b. no later than 30 days after the date of the municipal general election.

- ~~52.~~ Each Ceandidate for municipal office who is eliminated at a municipal primary election shall file with the City Recorder a campaign finance statement as described in this Chapter no later than 30 days after the date of the municipal primary election.
- ~~3.~~ ~~The definition of contribution and expenditure includes cash, in kind, and other non-monetary contributions and expenditures.~~
- ~~4.~~ ~~The reporting limit for any contribution shall be \$50.00.~~
- ~~5.~~ ~~As used in this section “reporting date” shall mean ten days before Lindon City’s general election, for those campaign finance statements required to be filed no later than seven days before the general election and the day of filing, for those campaign finance statements required to be filed no later than 30 days after the primary or general election.~~
6. The campaign finance statement for each Ceandidate who receives more than \$500.00 in campaign contributions or spends more than \$500.00 on the Ceandidate’s campaign, shall;
- a. report all of the Ceandidate’s itemized and total campaign Cecontributions, including Contributions given to the Candidate or an Agent of the Candidate, which were received before the close of the reporting date;
 - b. itemize each individual contribution amount, regardless of whether the Contribution exceeds the Reporting Limit;
 - c. for each Contribution which exceeds the Reporting Limit, identify the name of the donor;
 - ~~db.~~ report all of the Ceandidate’s campaign Expenditures made through the close of the reporting date;
 - ~~e.e.~~ identify for each campaign Expenditure, the amount of the eExpenditure and the name of the recipient of the Expenditure; and
 - ~~d.~~ ~~for each contribution that exceeds the reporting limit, identify the amount of the contribution and the name of the donor; and~~
 - ~~e.~~ ~~show the aggregate total of all contributions that individually do not exceed the reporting limit.~~
7. The campaign finance statements for each Ceandidate who receives \$500.00 or less in campaign Cecontributions and spends less than \$500.00 on the Ceandidate’s campaign Expenditures shall report the total amount of all campaign Cecontributions and Expenditures.
- ~~8.~~ ~~Campaign finance statements which are required to be filed seven days before the municipal primary and the general elections, shall include all Contributions received and all Expenditures made up to and including five days before the campaign finance statement is due.~~
98. The City Recorder shall, at the time a Ceandidate for municipal office files a declaration of candidacy, and again 14 days before each municipal general election, notify the Ceandidate in writing of;
- a. the provisions of this Chapter ordinance;

- b. the dates when the Ceandidate's campaign finance statement is required to be filed; and
- c. the penalties that apply for failure to file a timely campaign finance statement, including the statutory provision that requires removal of the Ceandidate's name from the ballot for failure to file the required campaign finance statement when required.

109. The City Recorder shall make each campaign finance statement filed by a Ceandidate available for public inspection and copying no later than one business day after the statement is filed.

1140. If a Ceandidate fails to file a campaign finance statement before the municipal general election by the deadline specified herein, the City Recorder shall inform the appropriate election official who shall if practicable,

- a. remove the Ceandidate's name from the ballot by blacking out the Ceandidate's name before the ballots are delivered to voters; or
- b. if removing the Ceandidate's name from the ballot is not practicable, inform the voters by any practicable method that the Ceandidate has been disqualified and that votes cast for the Ceandidate will not be counted.

1241. Election officials may not count any votes for that ~~a Ceandidate whose name has been removed from the ballot~~ who has been disqualified for failure to comply with this section.

1312. A Ceandidate who files a campaign finance statement seven days before a municipal general election is not disqualified if the statement details accurately and completely the information required herein, except for inadvertent omissions or insignificant errors or inaccuracies and the omissions, errors, or inaccuracies are corrected in an amended report or in the next scheduled report.

1413. A campaign finance statement required under this section is considered filed if it is received in the City Recorder's office by 5 p.m. on the date that it is due.

1514. If the municipal clerk or recorder fails to notify the Ceandidate of the provisions of the ordinance as required herein, a Ceandidate for municipal office shall not be subject to the provisions of this section, but shall be subject to the campaign finance disclosure requirements as contained in ~~section-§ 10-3-208~~ Utah Code (1953, as amended)~~of the Utah Code, as amended.~~

1645. In addition to the other penalties established herein, any Ceandidate who fails to comply with the requirements of this section is guilty of an infraction.

2.44.140 Adoption of State Election Code by Reference

All provisions of the Utah State Election Code, as contained in § 20A-1-101, et seq., Utah Code (1953, as amended), which pertain to municipal elections, are adopted and incorporated by reference.

SECTION II: SEVERABILITY.

Severability is intended throughout and within the provisions of this ordinance. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, then that decision shall not affect the validity of the remaining portions of this ordinance.

SECTION III: EFFECTIVE DATE.

This ordinance shall take effect immediately upon its passage and posting as provided by law.

PASSED AND APPROVED AND MADE EFFECTIVE by the City Council of Lindon City, Utah, this ____ day of _____ 2017.

Jeff Acerson,
Lindon City Mayor

ATTEST:

Kathryn A. Moosman,
City Recorder

Adjourn