MIDVALE CITY COUNCIL MEETING
AGENDA
February 20, 2018

PUBLIC NOTICE IS HEREBY GIVEN that the Midvale City Council will hold a regular meeting on the 20th day of February 2018 at Midvale City Hall, 7505 South Holden Street, Midvale, Utah as follows:

6:30 PM
INFORMATIONAL ITEMS

I. DEPARTMENT REPORTS

II. CITY MANAGER BUSINESS

7:00 PM
REGULAR MEETING

III. GENERAL BUSINESS
A. WELCOME AND PLEDGE OF ALLEGIANCE
B. ROLL CALL

IV. PUBLIC COMMENTS
Any person wishing to comment on any item not otherwise on the Agenda may address the City Council at this point by stepping to the microphone and giving his or her name for the record. Comments should be limited to not more than three (3) minutes, unless additional time is authorized by the Governing Body. Citizen groups will be asked to appoint a spokesperson. This is the time and place for any person who wishes to comment on non-hearing, non-Agenda items. Items brought forward to the attention of the City Council will be turned over to staff to provide a response outside of the City Council meeting.

V. COUNCIL REPORTS
A. Councilmember Paul Hunt
B. Councilmember Dustin Gettel
C. Councilmember Paul Glover
D. Councilmember Quinn Sperry
E. Councilmember Bryant Brown

VI. MAYOR REPORT
A. Mayor Robert M. Hale

VII. PUBLIC HEARINGS
A. Consider amendments to the FY2018 Budget for the General Fund and other funds as necessary [Laurie Harvey, Assistant City Manager/Admin. Services Director]

ACTION: Consider Resolution No. 2018-R-08 adopting proposed budget amendments to FY2018 Budget for the general fund and other funds as necessary
VIII. CONSENT AGENDA
A. Consider minutes of February 6 & 13, 2018 [Rori Andreason, H.R. Director/City Recorder]

IX. ACTION ITEMS
A. Consider Parameters Resolution No. 2018-R-11 a Resolution of the City Council of Midvale City, authorizing the issuance and sale of not more than $13,000,000 aggregate principal amount of water, sewer, and storm water revenue and refunding bonds, Series 2018 and related matters [Laurie Harvey, Assistant City Manager/Admin. Services Director]

B. Consider Resolution No. 2018-R-09 authorizing the Mayor to enter into an amended agreement with Ace Disposal for the Bulky Waste Program [Larry Wright, Public Works Director]

C. Consider Resolution No. 2018-R-10 Approving an Interlocal Agreement Between the Redevelopment Agency of Midvale City, Midvale City, and Salt Lake County for Installation of Traffic Signal at Bingham Junction Blvd. and Tuscany View Rd [Annaliese Eichelberger, RDA Project Manager]

X. ADJOURN

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working day notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax. The agenda was also posted at the following locations on the date and time as posted above: City Hall Lobby, on the City’s website at www.midvalecity.org and the State Public Notice Website at http://pmn.utah.gov. Council Members may participate in the meeting via electronic communications. Council Members’ participation via electronic communication will be broadcast and amplified so other Council Members and all other persons present in the Council Chambers will be able to hear or see the communication.

PLEASE MAKE SURE ALL CELL PHONES ARE TURNED OFF DURING THE MEETING

DATE POSTED: FEBRUARY 16, 2018

RORI L. ANDREASON, MMC
H.R. DIRECTOR/CITY RECORDER
SUBJECT: Midvale City Corporation Resolution No. 2018-R-08  
Budget Opening #2 for Fiscal Year 2018

SUBMITTED BY: Laurie Harvey, Assistant City Manager

SUMMARY: Staff proposes amendments to the FY 2018 Budget for the following funds: General Fund, Capital Improvement Projects Fund, Storm Water Utility Fund, and Sanitation Fund. These amendments cover new revenues and adjustments in current year operations. The resolution and budget detail are attached.

FISCAL IMPACT:

General Fund – Reduction of $53,000 in Fund Balance  
Capital Projects Fund – no change to Fund Balance  
Storm Water Utility Fund – Reduction of $27,300 in Fund Balance  
Sanitation Fund – Reduction of $6,000 in Fund Balance

STAFF RECOMMENDATION (MOTION READY): I move we adopt Resolution 2018-R-08, amending the budgets of the following funds: General Fund, Capital Improvement Projects Fund, Storm Water Utility Fund, and Sanitation Fund for the fiscal year ending June 30, 2018.

ATTACHMENTS: Resolution and proposed budget adjustments.
A Budget Appropriation Resolution of Midvale City, amending the budgets of the following funds: General Fund, Capital Improvement Projects Fund, Storm Water Utility Fund, and Sanitation Fund for the Fiscal Year ending June 30, 2018.

Whereas, Utah State Code, Sections 10-6-109, 10-6-127, and 10-6-128 of the Uniform Fiscal Procedures Act for Utah Cities, requires that increases in appropriations for operating budgets of the General Fund and other funds be made by resolution of the governing body; and

Whereas, the required public notice was properly published in newspapers of general circulation in Salt Lake County; and

Whereas, pursuant to notice, the public hearing was held on the 20th day of February, 2018; and

Whereas, in compliance with statutory requirements, Midvale City amends the revenue and appropriation budgets of the following funds: General Fund, Capital Improvement Projects Fund, Storm Water Utility Fund, and Sanitation Fund as detailed on the attached schedule:

Now therefore be it resolved, by the Midvale City Council, that the above budget amendments be made for the appropriate budgets for the Fiscal Year ending June 30, 2018.

This resolution shall become effective immediately upon passage thereof.

Passed and adopted by the City Council of Midvale City, State of Utah, this 20th day of February, 2018.

__________________________________
Robert M. Hale, Mayor

ATTEST:

Rori L. Andreason, MMC
City Recorder

Voting by the City Council: “Aye”       “Nay”
Dustin Gettel             ______       ______
Paul Glover              ______       ______
Quinn Sperry             ______       ______
Paul Hunt                ______       ______
Bryant Brown             ______       ______
### MIDVALE CITY CORPORATION - BUDGET OPENING # 2 - FY 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue</th>
<th>A/C #</th>
<th>Expenditure</th>
<th>A/C #</th>
</tr>
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<tbody>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New &quot;TIGER&quot; Transportation Grant - crosswalk upgrade</td>
<td>158,600</td>
<td>10-3312-100-002</td>
<td>158,600</td>
<td>10-4830-910-100</td>
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<tr>
<td>Dividend and TAP grant from ULGT</td>
<td>37,000</td>
<td>10-3690-100-000</td>
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<td></td>
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<tr>
<td>Grant to Midvale Boys &amp; Girls Club</td>
<td>20,000</td>
<td>10-4151-540-100</td>
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<td></td>
</tr>
<tr>
<td>Increase Legal - professional svcs (small cell towers)</td>
<td>40,000</td>
<td>10-4145-310-000</td>
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<tr>
<td>Increase - Planning &amp; Zoning - salaries - Planner I</td>
<td>20,500</td>
<td>10-4610-110-000</td>
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<td>Increase - Planning &amp; Zoning - benefits - Planner I</td>
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<td>10-4610-130-000</td>
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<tr>
<td>Increase - Planning &amp; Zoning - equipment - Planner I</td>
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<tr>
<td>Contribution from Fund Balance</td>
<td>53,000</td>
<td>10-3890-000-000</td>
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<tr>
<td><strong>TOTAL GENERAL FUND</strong></td>
<td>$ 248,600</td>
<td>$ 248,600</td>
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<tr>
<td><strong>CAPITAL IMPROVEMENT PROJECTS FUND</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Transfer from GF - &quot;TIGER&quot; grant - crowsswalk upgrade</td>
<td>158,600</td>
<td>41-3810-100-000</td>
<td>158,600</td>
<td>41-4983-718-007</td>
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<tr>
<td><strong>TOTAL CAPITAL IMPROVEMENT PROJ FUND</strong></td>
<td>$ 158,600</td>
<td>$ 158,600</td>
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<tr>
<td><strong>STORM WATER UTILITY FUND</strong></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Contrib from Fund Bal - FLSmith outfall project</td>
<td>27,300</td>
<td>54-3880-000-000</td>
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<td><strong>TOTAL STORM WATER UTILITY FUND</strong></td>
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<td><strong>SANITATION FUND</strong></td>
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<td>Contribution from Fund Balance - monthly bulk pickup</td>
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<td><strong>TOTAL SEWER UTILITY FUND</strong></td>
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</table>
Mayor Hale called the meeting to order at 6:32 p.m.

I. INFORMATIONAL ITEMS
A. DEPARTMENT REPORTS

Chief Randy Thomas discussed police reports and citations for the City including the crosswalk operation they just completed. They issued 41 citations during the crosswalk operation. He said they have also recently conducted two prostitution stings in which within a five-hour period, they had two arrests. Two days ago, they hosted the highway patrol troopers to discuss the homeless shelter and how the City deals with associated issues.

Chief Andrus reviewed the stats for December 2017 as well as the year end stats. He discussed the monthly safety message which was heart health.

Laurie Harvey said the Network Administrator position has been filled and he will start February 12, 2018. She asked the Council if they wanted to continue to provide traffic school. The Council said yes.

Phillip Hill said last week he received approval notice from the EPA for the five-year grant for the site coordinator with the possibility of renewal. He also mentioned that the tour of the Jordan Bluffs will be at 4:00 p.m. on Tuesday, February 13, 2018.

II. CITY MANAGER’S REPORT
Kane Loader said the ULCT conference is coming up April 25-27. They are partnering with the Utah Association of Counties and the Land-Use Academy. He asked the Council to let staff know as soon as possible if they will be attending. He updated the Council on several legislative bills that may impact the City. He reported on a recent meeting with Canyon’s School District regarding the plans for the rebuild of Hillcrest High School. The project will take 8-10 months for design. The build will be over two different phases so the kids will stay in place. Hillcrest High School will be on 36 acres, it will be very compact. The average high school is 55 acres. They plan to come and present to the City Council on this and other projects. He also met with the UTOPIA Executive Committee and discussed moving the project forward in all the cities. He discussed needed take rates that would pay for the construction. He felt those could be met. He said the City’s take rate is pretty good, and it can be used to cover the cost of construction. Our sales in 2016 in new residential customers was 2600, and in 2017 our sales in new residential customers was 3217. He said UTOPIA bid on the project to put 10G connection in every school. They are also looking at bids on projects for the UEN. The plan going forward is a total build out for Midvale by the year 2022.

III. GENERAL BUSINESS
A. Welcome and Pledge of Allegiance

B. Roll Call – Council Members Quinn Sperry, Paul Glover, Paul Hunt, Bryant Brown and Dustin Gettel were present at roll call.

C. Award Presentation - for Unified Fire Authority Board Member Paul Glover
Chief Peterson expressed his appreciation for Councilmember Paul Glover. He said he was a very effective active board member for them. He wanted to honor him for this service on that board. He presented a nice award and award of excellence coin from the Fire Chief. Chief Peterson said they do not provide the board with any stipend, so they do like to provide the board members with an award.

D. UDOT Update - Southbound I-15 and 7200 South Construction Project
Lisa Zundel, UDOT Updated the Council on the Southbound I-15 and 7200 South Project

The Utah Department of Transportation completed an environmental study to evaluate possible transportation related improvements to reduce delays along I-15 and 7200 South. The proposed project will include the following improvements:
- Adding a lane to southbound I-15 between S.R. 201 and 12300 South in Salt Lake County
- Modifications to the I-15 interchange at I-215 to improve traffic flow
- Widening 7200 South to three lanes in each direction between I-15 and Bingham Junction Boulevard in Midvale

I-15/I2-15 Interchange
To improve overall traffic flow at this interchange:
- Motorists transferring from westbound I-215 to southbound I-15 will merge directly onto southbound I-15, eliminating the need to merge with the high volume eastbound I-215 traffic before entering I-15
Motorists transferring from eastbound I-215 to southbound I-15 won’t merge with the high-volume westbound I-215 motorists, but will instead merge with only the low-volume 7200 South on-ramp traffic.

Project Benefits
- Average delay during PM commute in 2024
- Without Project: 5 minutes and 4 seconds
- With Project: 40 seconds
- Average speed during PM commute in 2024
- Without Project: 37.7 MPH
- With Project: 61.9 MPH

7200 South Improvements I-15 Intersection
- Pedestrian walkway, Frontrunner and UPRR Structure, UTA TRAX structure

The proposed improvements to 7200 South improve mobility immediately and well into the future at the major intersections between I-15 and Bingham Junction Boulevard.

Anticipated Schedule
- Contract awarded to Ralph L. Wadsworth
- Project design now underway
- Construction expected to begin in early spring 2018
- Construction expected to span two construction seasons
- Estimated completion dates:
  - 7800 S to 12300 S: Late Fall 2018
  - I-15/I-215 Interchange and north to SR-201: Early Fall 2019
  - Midvale 7200 S: Late Fall 2019
- Railroad construction estimated to begin in Late Fall 2018

Ralph L. Wadsworth has been awarded the contract. Design is currently underway. We hope to then be underway with construction by March or April and complete the project by the end of 2019 if all goes as planned.

Construction Impacts
- Traffic congestion
- Delays
- Detours
- Noise
- Dust
- Temporary access restrictions
- Alternate pedestrian routing

Coping Strategies
- Utilize transit
- Alternative work schedules
- Carpool
- Telecommute
- Active transportation
I-15 Northbound Project Information

- I-15 Northbound Environmental Study
- Scoping: Winter 2018
- Alternatives Development & Screening: Spring 2018
- Public Hearing and 30-day Comment Period: Summer 2018
- Decision: Fall 2018

I-15 Northbound Project Contract Information

- Website udot.utah.gov/i15northbound
- Email: i15northbound@utah.gov
- Phone: (801) 747-9950

HOW CAN I STAY INFORMED AND INVOLVED?

Please follow the website and/or sign up for email updates to stay informed of project progress:

udot.utah.gov/i15southbound
i15southbound@utah.gov
801-885-6096

For updates on this and other area UDOT projects, please follow:
@i15southbound
facebook.com/utahdot

IV. PUBLIC COMMENTS

Sophia Hawes-Tingey, Vice Chair of Community Council, said she is very interested in the discussion item regarding the Center Street area. She said a couple of years ago she presented a petition for the Grant Street area to receive UTOPIA. She has not seen any action on that petition even after discussions with the Executive Director of UTOPIA. She asked that her area be included in the build out.

Amanda Hollingsworth asked why Midvale isn’t more walkable. She wanted to know what makes the City successful to each of the Council. Why haven’t the crosswalks been planned. Who owns Center Street. Maybe some transparency would help. Councilmember Gettel and Councilmember Brown expressed their appreciation to Ms. Hollingsworth for administering the Midvale Resident Facebook page.

Spencer Mears thanked the Mayor and Larry Wright for their quick response on waterline breaks. He thanked Chief Thomas and his officers for his efforts on Center Street. He said the street is very dangerous.

Ethan Mears asked when the City will have a pool again. When will Midvale have dog parks.

Andrew Stoddard, Chair of Community Council, said they are looking at building a strong Community Council and getting people from all areas of the City. They’re meeting tomorrow night at 7:00 p.m. if anyone would like to attend.
Kathleen Riebe, State Board Representative, said the Midvale schools are in their thoughts. She wanted to check in with the Council and would welcome any questions.

Kevin Jorgensen asked how many people the Mayor interviewed to be on the Planning Commission. He said people are tired of the way government has been run. Reappointing people who have been part of the problem, won’t be good for the City. He felt it’s time for fresh blood. He knows several people who are interested in this position. He said people want change. He asked if the City still had a Beautification Committee. He was willing to bet no. There are some unsightly areas within the City. He asked about zoning requirements and why some buildings can be built so close to the roadway.

Councilmember Paul Glover said not to blame staff for enforcing the ordinances of the City. If there is a request to change the ordinance, it needs to come before the City Council.

Mayor Hale suggested he attend the Community Council to discuss the Beautification Committee.

Floyd Tarbet thanked the City. He said he was speaking on behalf of the CBC Medical and Dental clinic. In the January issue of the Midvale Journal, they allowed them to have an article in the paper.

Jodi Smith said she is also on the Community Council as the secretary. She said she is new so bear with her. She said she is looking forward to having a great Community Council.

Laurene Walker said there is a house on Pioneer Street Northwest corner that has a tow truck parked in the driveway with the wheels on the lawn. The place is a mess. She asked if there was something that can be made stricter in code enforcement to clean up these types of places. She also said she would like to see the buildings 15 feet back from the property line instead of the curb like the one on Center Street.

Richard Conway said his son was struck on January 24th outside Hillcrest High school in a 30-mph zone. These crosswalks aren’t being dealt with properly in the school zones. The budgeting needs to go towards the schools and towards Center Street. It needs to be easier and safer for these kids to cross the street. It’s not just the kids, we also have a public main park and programs after school. It needs to be safe.

V. COUNCIL REPORTS
A. Councilmember Paul Hunt – had nothing to report.

B. Councilmember Dustin Gettel – showed some clips of a video taken on Center and Grant Street regarding the crosswalk. He said there is a bicyclist and 19 cars that pass through as the pedestrians are waiting to cross. It’s taking 65 seconds for kids waiting to cross the crosswalk while 39 cars pass through the crosswalk. He said if there was a button with lights flashing, they could have crossed. When cars finally stop, pedestrians usually run across, because there is no guarantee that other cars will stop. He thanked Spencer Mears for putting together the video.
C. **Councilmember Paul Glover** – thanked Mayor Hale and Kane Loader for the training with UPD last Saturday.

D. **Councilmember Quinn Sperry** – had nothing to report.

E. **Councilmember Bryant Brown** – said he’s had a few citizens that approached him regarding the speed on Grant Street. There was a black box that was put up some time ago. He wanted to know if there was any data taken. Chief Thomas said it was probably UPD’s box and he would follow-up on it.

VI. **MAYOR REPORT**

Mayor Robert M. Hale – said he had the opportunity to sit on the floor during the legislative session. It was a very interesting experience.

**MOTION:** Councilmember Paul Glover MOVED to open the public hearing. Councilmember Quinn Sperry SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

VII. **PUBLIC HEARING(S)**

A. **CONSIDER OLSON AMENDED PRELIMINARY SUBDIVISION PLAT LOCATED AT 7054-7088 SOUTH 300 EAST**

Alex Murphy said the proposed Olson Amended Subdivision Plat consists of eight (8) proposed lots on a total of 0.87 acres located north of 7200 South on 300 East and is being submitted by Jill Kinder, owner of the property, as part of an overall proposal for twin home structures with one unit on each lot. The Planning Commission granted approval of proposed twin homes, subject to the City Council approving the subdivision plat.

The proposed subdivision has been reviewed and approved by the City Engineer and Fire Marshal. As a large subdivision request (more than 3 lots), this request is subject to and complies with the requirements of the Single Family Residential zone with Duplex Overlay (SF-1/DO) and the subdivision ordinance (Title 16), subject to the recommended conditions below.

All subdivisions require a review and recommendation from the Planning Commission and approval from the City Council with public hearings held before each body. The Planning Commission conducted a public hearing on this subdivision plat on January 10, 2018. Based on compliance with the City’s zoning and subdivision requirements, the Planning Commission forwarded a positive recommendation to the City Council to approve the preliminary subdivision plat for the Olson Amended Subdivision with the following conditions:

1. The applicant shall prepare a final subdivision plat to be reviewed and approved by the City Engineer, Fire Marshal, and City Council.
2. A minimum of four (4) additional street trees are required to be planted along 300 East. There shall be a note added to the plat requiring the trees to be planted prior to issuance of certificates of occupancy.
3. The applicant shall obtain duty to serve letters for water and sewer prior to the subdivision plat being recorded.
4. The applicant shall provide evidence that courtesy notices have been sent to Dominion Energy, Rocky Mountain Power, Xfinity, Utopia, and CenteryLink regarding the utility easements on the subdivision plat prior to final approval.

5. All new development on the flag lots shall comply with the flag lot requirements, i.e. setbacks, height (single story), parking, and 30-foot wide paved driveway. A note indicating these requirements shall be included on the final subdivision plat.

6. The flat lot driveway shall remain clear of overhanging vegetation and no parking signs posted. A note stating this shall be included on the final subdivision plat.

7. A minimum six-foot high screening fence shall be constructed and maintained around the exterior of the project. This fence shall be completed prior to certificates of occupancy being issued on the lots. A note indicating this requirement shall be included on the final subdivision plat. The owner will also work with the neighboring property in replacing the existing fences or working with them, as needed.

8. The existing structures on the property will need to be demolished prior to the subdivision plat being recorded.

Upon City Council approval of the preliminary plat, the applicant will be required to prepare a final plat accurately reflecting any conditions of approval imposed by the City Council. The subdivision shall not be considered approved until final action by the City Council on the final plat at a future date.

Staff agrees with the Planning Commission’s recommendation of approval with an additional note being included on the final subdivision plat putting future property owners and developers on notice that these lots are being created to construct four twin home structures and not detached single family dwellings.

Mayor Hale opened the public hearing to public comment.

Lothar Eisert asked if the property ownership had changed. The prior proposal was for four buildings two single family and two-story dwellings and now I am hearing eight. He is afraid they are going to get inundated with more and bigger buildings. He is not in favor of changing it to eight buildings.

Councilmember Quinn Sperry’s commented that this project fits the zoning requirements. If they tried to increase the density, it would not fit the zoning requirements and a rezone would be required. If it was before the Council for a rezone, then it could be denied.

Jill Kinder, owner of property, said the development plan had not changed. The lots have just been split down the middle. It was always going to be eight doors and four buildings.

**MOTION:** Councilmember Paul Hunt MOVED to close the public hearing. Councilmember Paul Glover SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.
ACTION: APPROVE OLSON AMENDED PRELIMINARY SUBDIVISION PLAT FOR AN 8-LOT SUBDIVISION LOCATED AT 7054-7088 SOUTH 300 EAST

MOTION: Councilmember Paul Hunt MOVED based on demonstrated compliance with the requirements of Chapter 17-7-1, Single Family Residential zone with Duplex Overlay and Title 16, Subdivisions, I move to approve the amended preliminary subdivision plat for an 8-lot subdivision located at 7054-7088 South 300 East with the following conditions:

1. The applicant shall prepare a final subdivision plat to be reviewed and approved by the City Engineer, Fire Marshal, and City Council.
2. A minimum of four (4) additional street trees are required to be planted along 300 East (one tree on each lot). There shall be a note added to the final subdivision plat requiring the trees to be planted prior to the issuance of certificates of occupancy for units on the lots.
3. The applicant shall obtain duty to serve letters for water and sewer prior to the subdivision plat being recorded.
4. The applicant shall provide evidence that courtesy notices have been sent to Dominion Energy, Rocky Mountain Power, Xfinity, Utopia, and CenturyLink regarding the utility easements on the subdivision plat prior to the subdivision plat being recorded.
5. All new development on the flag lots shall comply with the flag lot requirements, i.e. setbacks, height (single story), parking, and 20-foot wide paved driveway. A note indicating these requirements shall be included on the final subdivision plat.
6. The flag lot driveway shall remain clear of overhanging vegetation and be posted with “No Parking” signs. A note to this effect shall be included on the final subdivision plat.
7. A minimum six-foot high screening fence shall be constructed and maintained around the exterior of the project. This fence shall be completed prior to certificates of occupancy being issued on the lots. A note indicating this requirement shall be included on the final subdivision plat. The owner will also work with the neighboring property in replacing or enhancing the existing fences or working with them, as needed.
8. The existing structures on the property shall be demolished prior to the subdivision plat being recorded.
9. A note shall be added to the subdivision plat indicating that two-unit residential structures with a common wall are required to be constructed along the center lines of Lots 1 & 2, 3 & 4, 5 & 6, and 7 & 8 unless the subdivision plat is officially amended.”

The motion was SECONDED by Councilmember Quinn Sperry. Mayor Hale called for discussion on the motion. There being none, he called for a roll call vote. The voting was as follows:

Council member Quinn Sperry Aye
Council member Paul Glover Aye
The motion passed unanimously.

MOTION: Councilmember Paul Glover MOVED to open the public hearing. Councilmember Paul Hunt SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

B. CONSIDER A REZONE OF 139 EAST 8000 SOUTH AND 141 EAST 8000 SOUTH FROM TRANSIT ORIENTED DEVELOPMENT (TOD) AND SINGLE FAMILY RESIDENTIAL WITH AGRICULTURAL OVERLAY TO MULTIFAMILY RESIDENTIAL-MEDIUM DENSITY ZONE (RM-12)

Alex Murphy said the applicant, Boyd Brown on behalf of Chen Ping Chung and BBSold, is requesting approval of a rezone request for property located at 139 E 8000 S and 141 E 8000 S from Transit Oriented Development (TOD) and Single Family Residential w/ Agricultural Overlay (SF-1/AO), respectively, to Multifamily Residential – Medium Density (RM-12) for the purpose of coordinating development of a townhome project across both properties. A concept plan for the townhome project has been included, but is not up for review at this time. Provided the rezone is approved, it is the applicant’s intent to submit the required development applications for a development project at a later date.

Boyd Brown previously requested a rezone of the property located at 141 E 8000 S from SF-1/AO to TOD. In response to concerns raised by the Planning Commission and nearby property owners, Mr. Brown withdrew the TOD rezone request and submitted the new proposal for both lots to be rezoned to RM-12 instead.

GENERAL PLAN CONSIDERATIONS:
The 2016 Midvale City General Plan locates the subject properties in a Stability Area, near the border of the Middle State Street and South State Street Opportunity Areas. The proposal to rezone the subject properties from SF-1/AO and TOD to RM-12 is generally supported by the General Plan because it allows for redevelopment in a manner consistent with the surrounding neighborhood and satisfies the land use goals for Stability Areas in general.

The General Plan states that:
“In Stability Areas, the current overall land use mix is desirable and preservation of these areas’ character and function is the desired future condition. These areas are nearly fully developed and have little foreseeable change in the types or intensity of land uses in the future.
In Opportunity Areas, minor-to-major changes in current land uses are likely to occur due to market forces, increasing land values, and opportunities to optimize land uses to take advantage of transit and other public investments. Projects in Opportunity Areas are anticipated to be at higher levels of density than current land uses and should be carefully planned and designed to integrate into the fabric of the area and minimize impacts on adjacent and nearby existing land uses.”

The subject property is in a neighborhood that has been transitioning from single family detached residential on narrow and deep lots to medium density residential uses in the form of single-family
attached and duplex style development over the last two decades. To the east of this property is a multifamily complex of duplexes, owned by Kenneth and Tamara Lloyd, and to the west are multiple properties containing single family attached dwellings, Auburn Townhomes and Creekside Townhomes.

To the northwest is an apartment complex, Candlestick Apartments, and to the south are additional single family attached dwellings in the Station Place Condominium project and a small property owned by Oviatt Properties LLC. A few single-family dwellings remain scattered throughout these projects. Rezoning the subject property to RM-12 would allow it to be redeveloped in a manner consistent with the surrounding overall land use mix.

Regarding future land use goals for the Stability Area and nearby Opportunity Areas, the General Plan states:

“The land use goals for Stability Areas include:
1. Support property maintenance and neighborhood stability.
2. Buffer uses in Stability Areas from more intensive land uses nearby, including adjacent Opportunity Areas.
3. Provide for better pedestrian/bicycle connections through and between neighborhoods.
4. Provide for access to parks, trails, and recreation facilities.
5. Provide for appropriate transit opportunities.
6. Provide mechanisms for appropriate home remodeling to occur to accommodate today’s lifestyles and needs.”

“The Middle State Street Opportunity Area is generally bounded by 7300 South on the north and approximately 7900 South on the south. The east-west extent of the Opportunity Area varies, but the boundary is intended to encompass properties that front on or have direct access to State Street, as well as incorporates the Center Street TRAX station. The area includes underutilized commercial uses facing State Street with limited parking.

The future land use goals for the Middle State Street Area include:
1. Support development of higher-value commercial and business uses through the development of mixed-use and higher density residential uses.
2. Develop a small area plan for the development near the TRAX station.
3. Support and encourage development to take advantage of transit and transportation opportunities.
4. Focus commercial and mixed-use development at the nodes of 7500 South and 7720/7800 South into mixed-use residential development.
5. Support redevelopment of the underutilized commercial properties between the commercial nodes into mixed-use residential development.
6. Explore the potential for unifying urban-design elements and beautification of the area.
7. Employ design elements to buffer the effects of higher intensity uses in the core areas on adjacent existing residential uses.
8. Strengthen pedestrian connections to the Center Street TRAX station.

The South State Street Opportunity Area is generally bounded by 7900 South on the north, southern City boundary on the south, and the TRAX line on the east. The west extent of the
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February 6, 2018

Opportunity Area varies, but the boundary is intended encompass properties that either front on or have direct access to State Street. The area includes existing industrial uses on the east side of State Street; stacked condos/townhomes at approximately 8250 South State Street; and used car lots on the west side of State Street.

Future land use goals for the South State Street Area include:
1. Support development of higher-value commercial and business uses through the development of mixed-use and higher density residential uses.
2. Make the 8000 South State Street intersection a commercial node.
4. Explore the potential for unifying urban-design elements and beautification of the area.
5. Strengthen pedestrian connections along State Street to the Center Street TRAX station access on State Street just north of 8000 South.
6. Enhance pedestrian connections east/west across State Street.
7. Employ design elements to buffer the effects of higher intensity uses in the core areas on adjacent existing residential uses.”

The subject properties clearly fall outside the boundaries of the Middle and South State Street Opportunity Areas. However, due to their general proximity to the eastern boundary of both Opportunity Areas, supporting redevelopment to strengthen the buffer between the higher density residential and commercial uses, both existing and expected, in the Opportunity Areas to the north and west and the lower density residential uses further to the south and east is consistent with Stability Area Goal #2. The remaining goals for Stability Areas do not apply to the proposed rezone, as no project is under consideration at this time.

ORDINANCE CONSIDERATIONS:
The City Council may only approve a rezone application if it determines, in written findings, that the proposed rezoning is consistent with the policies and goals of the general plan and that the applicant has demonstrated the following:

1. The proposed rezoning is necessary either to comply with the general plan proposed land use map or to provide land for a community need that was not anticipated at the time of adoption of the general plan;
2. The existing zoning was either the result of a clerical error or a mistake of fact, or that it failed to take into account the constraints on development created by the natural characteristics of the land including, but not limited to, steep slopes, floodplain, unstable soils, and inadequate drainage; or
3. The land or its surrounding environs has changed or is changing to such a degree that it is in the public interest to encourage redevelopment of the area or to recognize the changed character of the area.

The discussion above in the General Plan Considerations section addresses how the proposed rezoning is consistent with the 2016 Midvale City General Plan.

Further, the surrounding environs have changed and continue to change such that rezoning from SF-1/AO and TOD to RM-12 will make the zoning designation consistent with nearby properties, encourage redevelopment of underutilized lots, and response to neighborhood concerns regarding the intrusion of commercial uses. As mentioned previously, multiple projects with densities higher
than allowed by the SF-1/AO zone have been constructed in the neighborhood surrounding the subject property. Adjacent zoning designations include TOD to the west and RM-12 to the east. The SF-1/AO zone would remain on property to the south, although several lots under this zoning designation appear to be nonconforming.

Redevelopment of 139 E to a multifamily or single family attached style project is possible under the current zone. However, the applicant wishes to develop the lot in conjunction with 141 E. Redevelopment of this lot would not be possible under the SF-1/AO zone currently assigned due to zone limitations and the property shape (narrow and deep). Rezoning both properties to RM-12 allows them to be redeveloped in tandem and in a manner consistent with newer development patterns along 8000 S between the TRAX line and eastern City boundary.

PLANNING COMMISSION RECOMMENDATION:
Section 17-3-1 of the Midvale City Municipal Code requires the Planning Commission hold a public hearing and adopt a written recommendation to the City Council, advising the City Council to approval, disapprove, or modify a request on all zoning map amendments.

The Planning Commission reviewed this rezone request and conducted a public hearing on January 10, 2018. The Planning Commission reviewed the submitted information and public comment before making a decision to recommend approval of the rezone request with the following motion:

“Based on the following findings, I move that we forward a recommendation to the Midvale City Council to approve the rezoning of 139 East and 141 East 8000 South to the Multifamily Residential – Medium Density (RM-12) zone:
1. The proposed rezoning is consistent with the goals of the 2016 Midvale City General Plan; and
2. The land and its surrounding environs have changed to such a degree that it is in the public interest to recognize the changed character of the area and encourage redevelopment of the area.”

Councilmember Dustin Gettel said he noticed the applicant withdrew his TOD application.

Alex Murphy said he would allow the applicant to respond to why he withdrew the original application.

Councilmember Paul Glover asked what is the potential if it was a TOD verses what they are asking for.

Alex Murphy said a TOD zone allows a higher maximum density up to 25 units per acre and it allows a variety of commercial uses. Downzoning to a RM-12 reduces it to a maximum density to 12 units per acre and increases setback requirements. Parking requirements are the same.

Councilmember Bryant Brown said the people on the west side feel similar to the TOD zone upon homes.

Mayor Hale opened the public hearing to public comment. There was no one present who desired to speak to this item.
Boyd Brown, Applicant, said one reason for the change was because of the neighbor feedback at the Planning Commission.

**MOTION:** Councilmember Quinn Sperry MOVED to close the public hearing. Councilmember Paul Glover SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

**ACTION:** ADOPT ORDINANCE NO. 2018-O-02 REZONING OF 139 EAST 8000 SOUTH AND 141 EAST 8000 SOUTH FROM TRANSIT ORIENTED DEVELOPMENT (TOD) AND SINGLE FAMILY RESIDENTIAL WITH AGRICULTURAL OVERLAY TO MULTIFAMILY RESIDENTIAL-MEDIUM DENSITY ZONE (RM12)

**MOTION:** Councilmember Quinn Sperry MOVED to adopt Ordinance No. 2018-O-02 rezoning 139 East 8000 South and 141 East 8000 South from Transit Oriented Development (TOD) and Single Family Residential with Agricultural Overlay to Multifamily Residential-Medium Density Zone (RM12) 1. The proposed rezoning is consistent with the goals of the 2016 Midvale City General Plan; and 2. The land and its surrounding environs have changed to such a degree that it is in the public interest to recognize the changed nature of the area and encourage redevelopment of the area.”.

The motion was SECONDED by Councilmember Bryant Brown. Mayor Hale called for discussion on the motion. There being none, he called for a roll call vote. The voting was as follows:

- Council member Quinn Sperry Aye
- Council member Paul Glover Aye
- Council member Paul Hunt Aye
- Councilmember Bryant Brown Aye
- Council member Dustin Gettel Aye

The motion passed unanimously.

**MOTION:** Councilmember Paul Glover MOVED to open the public hearing. Councilmember Dustin Gettel SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

**C. CONSIDER JORDAN BLUFFS SUBDIVISION 1ST AMENDMENT; 3-LOT SUBDIVISION FOR 40-ACRE PARCEL; APPROXIMATELY 877 WEST 7800 SOUTH 8150 SOUTH 700 WEST; WASATCH RESIDENTIAL GROUP (APPLICANT)**

Lesley Burns stated Wasatch Residential Group is requesting approval of a subdivision plat to divide Lot 1 of the Jordan Bluffs Subdivision into three lots to facilitate future development proposals under a Large-Scale Master Plan. Lot 1 includes the 40 acres encompassing Subarea 4
of the Jordan Bluffs Zone and is anticipated to be residential development. It includes existing frontage on 7800 South, Holden Street and 700 West, and will have frontage on the extension of Ivy Drive on the south and Bingham Junction Boulevard on the west as part of the overall Jordan Bluffs development. The proposed three lot subdivision plat reflects the Subarea 4 divisions included in the Jordan Bluffs Subarea 4 Residential Development Ordinance adopted in November 2017. The proposed plat includes the dedication of the 60-foot public right-of-way for a new interior road (Seghini Drive). It also includes the required public roadway dedication along 700 West to provide the area for the extension of the public curb, gutter and sidewalk along the property frontage.

This property is zoned Jordan Bluffs (JB). The JB Zone allows property to be divided in this manner and will require future review and approval of development applications before construction can occur on the property.

The Planning Commission reviewed this request on January 10, 2018 and forwarded a positive recommendation to the City Council for approval of the subdivision plat with the following conditions:
1. The applicant shall reduce the width of the public right-of-way for Seghini Drive from 70 feet to 60 feet.
2. The applicant shall have a final subdivision plat prepared. This plat shall be reviewed and approved by the City Engineer and City Council. This plat shall address the City Engineer’s preliminary plat comments.
3. The applicant shall obtain duty to serve letters for water and sewer and provide evidence that a courtesy notice has been sent to Dominion Energy, Rocky Mountain Power, Xfinity, Utopia and CenturyLink regarding the utility easements on the subdivision plat prior to the subdivision plat being recorded.

The applicant has prepared a final subdivision plat. This plat shows the correct right-of-way width for Seghini Drive and has been reviewed and approved by the City Engineer. The applicant has obtained a water and sewer letter and has notified the other utility companies. All conditions recommended by the Planning Commission and standards required by the JB Zone and Title 16 of the Midvale Municipal Code have been satisfied.

Mayor Hale opened the public hearing to public comment.

Amanda Hollingsworth said the planning blows on this project.

Councilmember Dustin Gettel said he moved here from New Jersey to the San Moritz. He knew nothing about superfund sites. From what he has learned from the superfund sites in all of the research that has been done is that it is actually safer to living in that type of community, because they have done so much clean up. The research indicates that you are safer.

Councilmember Paul Glover said there is monitoring all the time of what is going on out there. There is nothing that prevents us to build single family homes, it’s the cost that is involved with the single-family homes that no one would be able to afford it.

Councilmember Bryant Brown asked if the Site Coordinator would be monitoring the site.
Phillip Hill said that the way it is set up is the monitoring is conducted by the state on behalf of the EPA. They test everything on this site. On a quarterly basis they do 5-year reviews. The site coordinator is paid for by the EPA to work on behalf of the City to make sure all the rules and regulations are followed by the developers and contractors. Then on the other end the developers and contractors are required to have special inspector’s, special engineers, and special geologists. They have to report back to the city, state and EPA. The monitoring goes on forever.

Ida Ortega said the superfund site is right in front of her house. She asked what made all the chemicals go away and now it’s safe.

Phillip Hill said back in the early 90’s the EPA came in and cleaned up all of the materials and covered it with several layers of geo synthetic clay layer and membrane like a pvc liner and then on top of that, is clean dirt. The EPA said to keep it in one place and don’t allow public access.

MOTION: Councilmember Paul Glover MOVED to close the public hearing. Councilmember Dustin Gettel SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

ACTION: APPROVE JORDAN BLUFFS SUBDIVISION 1ST AMENDMENT; 3-LOT SUBDIVISION FOR 40-ACRE PARCEL; APPROXIMATELY 877 WEST 7800 SOUTH 8150 SOUTH 700 WEST; WASATCH RESIDENTIAL GROUP (APPLICANT)

MOTION: Councilmember Bryant Brown MOVED that we approve the final subdivision plat for the Jordan Bluffs Subdivision 1st Amendment with the following condition: The applicant shall obtain all required signatures on the subdivision plat Mylar.” The motion was SECONDED by Councilmember Paul Hunt. Mayor Hale called for discussion on the motion. There being none, he called for a roll call vote. The voting was as follows:

- Council member Quinn Sperry Aye
- Council member Paul Glover Aye
- Council member Paul Hunt Aye
- Council member Bryant Brown Aye
- Council member Dustin Gettel Aye

The motion passed unanimously.

MOTION: Councilmember Paul Glover MOVED to open the public hearing. Councilmember Dustin Gettel SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

D. CONSIDER UNION MANOR SUBDIVISION; 3-LOT RESIDENTIAL SUBDIVISION; 985-987 EAST 7240 SOUTH AND 7270 SOUTH 1035 EAST (REAR PROPERTY); MEYERS ENTERPRISES INC. (APPLICANT)
Lesley Burns stated the applicant, Chris Meyers, is requesting a subdivision approval to reconfigure three existing parcels into a flag lot subdivision with one frontage lot and two flag lots with a shared driveway access. The two northern parcels are pre-existing lots with vacant single-family houses. The south parcel is landlocked. The applicant is proposing to reconfigure the existing property boundaries to create a shared 20-foot wide driveway to access the landlocked parcel and the northwest parcel, creating two flag lots. It is the intent of the applicant to demolish the existing houses and accessory structures and construct three residential structures in the future. The combined property includes approximately 0.69 acres (29,969 square feet) with 123 feet of frontage on 1035 East. This property is zoned Single Family Residential with a Duplex Overlay (SF-1 DO). The minimum lot size is 7,000 square feet. Under this zone, the lots could be developed as single-family houses or two-unit residential structures.

The Planning Commission conducted a public hearing and reviewed this request on August 23, 2017. Based on compliance with the zoning and subdivision requirements of the SF-1 zone district and the Duplex Overlay, the Planning Commission recommended approval of the proposed Union Manor Subdivision with the following conditions:

1. The applicant shall work with the City and irrigation company to determine the appropriate improvements needed, if any, for the irrigation ditch running along the south boundary of the proposed driveway for the flag lot. This determination shall be made prior to final subdivision plat approval.
2. The applicant shall work with Rocky Mountain Power to determine the improvements and reconfiguration needed for the overhead power lines and poles on the property to accommodate the new development. Approval of a plan from Rocky Mountain Power is required before final subdivision plat approval.
3. Duty to serve letters for water and sewer shall be obtained before final subdivision plat approval.
4. The applicant shall prepare a final subdivision plat to be reviewed and approved by the City Engineer and City Council. The final subdivision plat shall include the following notes:
   • All new development on Lots 1 & 2 shall comply with the flag lot requirements, i.e. setbacks, height/single-story, parking, and 20-foot wide paved driveway.
   • The flag lot driveway shall remain clear of all vegetation, including overhanging branches, and no parking signs posted.
   • A minimum 6-foot high screening fence shall be constructed along the perimeter of Lots 1 & 2 where a screening fence does not currently exist. This fence shall be completed prior to certificates of occupancy being issued on these lots.
   • Three street trees are required on Lot 3. Required trees shall be planted prior to a certificate of occupancy being issued on this lot.
   • A shared access and maintenance easement shall be indicated and noted on the flag lot driveway area to ensure Lot 1 has legal access to 1035 East.
5. The applicant shall work with the Fire Marshal in the placement of a new fire hydrant to serve the subdivision.
6. The applicant shall provide evidence that a courtesy notice has been sent to Dominion Energy, Rocky Mountain Power, Xfinity, Utopia, and CenturyLink regarding the utility easements on the subdivision plat prior to final approval.
The applicant has prepared construction plans to address the improvements needed for the irrigation ditch. The construction plan includes power, water, sewer and storm drain utility improvements required for the three lots, as well as a new fire hydrant on 1035 East. This plan has been reviewed and approved by the applicable entities. The applicant has also prepared a final subdivision plat. This plat shows the notes recommended by the Planning Commission and provides for a shared driveway access between the owners of Lot 1 and Lot 2. The final subdivision plat has been reviewed and approved by the City Engineer. The applicant has obtained letters from Salt Lake City and Midvalley Improvement District indicating they can provide water and sewer service to the subdivision with the improvements being shown on the construction plans. The applicant has notified the other utility companies. All conditions recommended by the Planning Commission and standards required by the SF-1 DO Zone and Title 16 of the Midvale Municipal Code have been satisfied.

Mayor Hale opened the public hearing to public comment.

Gary Cannon representing Meyers Enterprises, said they aren’t asking for a smaller lot consideration. There is an abandoned ditch that will be re-piped and they will make sure the waterline is connected to the end property owner. There are also some old trees that will not be torn down, instead they will move the road a little bit. The two homes remaining will be removed. These houses are marked by the Midvale Police as being used for vagrancy, homelessness, and drug use. He applauded the City of Midvale because they are one of the most pedestrian friendly cities for public transportation.

Councilmember Quinn Sperry said he is excited to see this property develop.

Councilmember Bryant Brown said he appreciates the goal to leave the trees.

MOTION: Councilmember Quinn Sperry MOVED to close the public hearing. Councilmember Paul Hunt SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

ACTION: APPROVE UNION MANOR SUBDIVISION; 3-LOT RESIDENTIAL SUBDIVISION; 985-987 EAST 7240 SOUTH AND 7270 SOUTH 1035 EAST (REAR PROPERTY); MEYERS ENTERPRISES INC. (APPLICANT)

MOTION: Councilmember Quinn Sperry MOVED that we approve the final subdivision plat for the Union Manor Subdivision with the following conditions:
1. The applicant shall obtain all required signatures on the subdivision plat Mylar.
2. The applicant shall bond for the required public improvements prior to the subdivision plat being recorded.
3. An access and maintenance easement between Lot 1 and Lot 2 shall be recorded concurrently with the subdivision plat.
The motion was SECONDED by Councilmember Paul Glover. Mayor Hale called for discussion on the motion. There being none, he called for a roll call vote. The voting was as follows:

- Council member Quinn Sperry: Aye
- Council member Paul Glover: Aye
- Council member Paul Hunt: Aye
- Councilmember Bryant Brown: Aye
- Council member Dustin Gettel: Aye

The motion passed unanimously.

VIII. CONSENT AGENDA

A. SET DATE AND TIME [FEBRUARY 20, 2018 AT 7:00 P.M.] FOR A PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE FY2018 GENERAL FUND AND OTHER FUNDS AS NECESSARY

B. CONSIDER MINUTES OF JANUARY 16, 2018

MOTION: Councilmember Paul Glover MOVED to approve the consent agenda. The motion was SECONDED by Councilmember Paul Hunt. Mayor Hale called for discussion on the motion. There being none, he called for a roll call vote. The voting was as follows:

- Council member Quinn Sperry: Aye
- Council member Paul Glover: Aye
- Council member Paul Hunt: Aye
- Councilmember Bryant Brown: Aye
- Council member Dustin Gettel: Aye

The motion passed unanimously.

IX. ACTION ITEM

A. CONSIDER RESOLUTION NO. 2018-R-07 CONFIRMING THE REAPPOINTMENT OF COLLEEN COSTELLO TO SERVE AS A FULL TIME MEMBER OF THE PLANNING COMMISSION

Mayor Robert Hale stated he asked Colleen Costello to come and get acquainted with everyone.

Colleen Costello stated that Lesley Burns was the one that asked her to serve on the Planning Commission when she lost the election. She is honored to serve.

Mayor Hale said members of the Midvale City Planning Commission are appointed to serve four-year terms and can serve a maximum of two full consecutive terms. Colleen Costello finished her first four-year term at the end of January and is eligible to serve another four-year term. Ms. Costello has served the City well in this capacity. She is a life-long resident of Midvale City and served on the City Council for 16 years. She has attended several Planning Commission training sessions through the League of Cities and Towns and the Land Use Academy of Utah and understands the purpose and role of a Planning Commission.

It is my recommendation the City Council adopts Resolution No. 2018-R-07, re-appointing Colleen Costello to serve on the Planning for another four-year term.
Councilmember Paul Hunt said he also served on the Planning Commission for several years. It is a stressful job. Sometimes it is difficult to fill the vacancies on the Planning Commission so he appreciates her willingness to volunteer. It helps to have her experience and knowledge.

Councilmember Bryant Brown thanked Colleen for her time and service to the City. He said the Wasatch Front has gone through a transformation. Although she is an enforcement position, he has been to plenty of meetings where a developer says he wants to use or not use certain materials. He said the Planning Commission can reach out and have good faith towards the citizens. He asked how the Planning and Zoning could accomplish this and help alleviate stress to the citizens.

Colleen Costello said the Planning Commission members are well balanced. When these issues come up, they can usually come to an agreement. With the variety of members from all different fields, they all come together.

Councilmember Dustin Gettel thanked Colleen Costello for her service to the City. He wanted to address correspondence from the citizens stating that they would like to go in a different direction with the Planning and Zoning Commission. He asked Colleen Costello how she would address these concerns.

Colleen Costello said that she has a lot of experience. The ongoing education is a learning experience. When you look at the future of where you want the City to go, you want to do things right. You would want to make sure you have a good stable Planning & Zoning Commission. We need to start planning now for the future. She said that the Planning Commission sends recommendations to the Council, and the final approval is from the City Council.

Mayor Hale explained the process of appointing Planning Commission members. Applicants are interviewed by a committee including himself. They try to have Planning Commission members from each district within the City so the entire City is represented on the Commission.

**MOTION:** Councilmember Paul Hunt MOVED that we adopt Resolution No. 2018-R-07, re-appointing Colleen Costello to the Planning Commission as a full-time member with her term expiring January 2022. The motion was SECONDED by Councilmember Paul Glover.

Councilmember Quinn Sperry said he received correspondence about the reappointment. Regardless of how the vote shakes out he wanted to thank the community for their comments. He also appreciates how people can express their opinions without making personal attacks. He appreciates Colleen Costello’s years of service.

Mayor Hale called for discussion on the motion. There being none, he called for a roll call vote. The voting was as follows:

<table>
<thead>
<tr>
<th>Council member</th>
<th>Vote</th>
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<tbody>
<tr>
<td>Quinn Sperry</td>
<td>Aye</td>
</tr>
<tr>
<td>Paul Glover</td>
<td>Aye</td>
</tr>
<tr>
<td>Paul Hunt</td>
<td>Aye</td>
</tr>
<tr>
<td>Bryant Brown</td>
<td>No</td>
</tr>
<tr>
<td>Dustin Gettel</td>
<td>No</td>
</tr>
</tbody>
</table>
The motion passed 3-2 in favor.

X. DISCUSSION ITEM

DISCUSS THE CENTER STREET PEDESTRIAN STUDY AND CITY WIDE PEDESTRIAN SAFETY

Phillip Hill stated the City has been awarded a grant for the Center Street crosswalk. Parametrics are a local traffic engineering firm that conducted the study.

Center Street Pedestrian Study

Study Area

Midvale Elementary, Midvale Middle, Midvale Center Station, Boys & Girls Club, Midvale Park, TOD Residential.

Data Collection

Pedestrian and vehicle counts were collected on September 28, 2017. Counts were collected at five-minute intervals for a 12-hour period beginning at 7:00 A.M. for every 5 minutes.

Phillip explained the peak hours and where they took place was in the mornings and afternoons when residents were taking the kids to and from school. With the study and counts and data reviewed, the solid recommendations were to relocate the Center Square crossing and move it adjacent to the Trax line. The Center Square has $158,000 federal grant money and a $40,000 match the City has to put towards it for that. That would take care of this pedestrian crossing. The consulting firm felt this was the best place for this crossing.

Staff believes the best solution for the Grant Street Crossing is to leave the crossing where it is and do improvements to it. The cost for each crossing would be $25,000. The consultants warned against having too many different treatments. Grant Street and 300 West crossings with the same type of improvements will have consistency and ensure safety. The allocated budget for crossings could be paid for that way.

Councilmember Paul Glover said the school students need to be educated. Lights alone don’t necessarily guarantee the problem has been solved.

Councilmember Paul Hunt asked about striping to draw attention to the driver.

Phillip Hill said UDOT has marked crossings that say look up to warn people that they are approaching an intersection.

Councilmember Bryant Brown asked about lighting at the crossing. Phillip Hill said that would need to be addressed in the budget.

Councilmember Dustin Gettel would like to follow-up on the 41 tickets given in the crosswalks to see what the outcome is. Were they dismissed?

XI. ADJOURN
MOTION: Councilmember Paul Glover MOVED to adjourn the meeting. Councilmember Paul Hunt SECONDED the motion. Mayor Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

The meeting adjourned at 9:48 p.m.

Rori L. Andreason, MMC
H.R. DIRECTOR/CITY RECORDER

Approved this 20th day of February 2018.
Mayor Hale called the meeting to order at 6:30 p.m.

I. DISCUSSION ITEMS

D. DISCUSS WATER/SEWER REVENUE BONDS

Laurie Harvey asked to move Item D to the beginning of the meeting so Laura Lewis did not have to wait through the entire meeting. She then discussed the projects proposed for the bonding.

**Series 2018 Water/Sewer Bond Projects**

- JVWCD pipeline connections $1,100,000
- Replacement of Union area meters 195,000
- Fixed read system 90,000
- Water Smart Software 40,000
- Sewer System Projects 840,300
- Water System Projects 2,300,000
- SVWRF Phosphorous/grit removal 1,700,000

$6,265,300

She discussed each of the projects and their need/benefits to the City. Keith Ludwig also discussed each project. The South Valley Water Reclamation facility phosphorous/grit removal is a new rule required by the state.
Laura Lewis, Lewis Young, introduced herself to the new Council members. She reviewed the bonding process as follows:

**New Money Purpose:**
Issue new money bonds to finance all or a portion of: 1) a direct connection between the water systems of the City and Jordan Valley Water Conservancy District; 2) Improvements to the City’s water meter reading system; 3) Improvements to the City’s water, sewer, and storm water system infrastructure; and 4) upgrades to grit and phosphorous removal equipment at South Valley Water Reclamation Facility, of which the City is a partial owner.

**Summary of Preliminary Information:**
- Project Cost Total: $6,200,000
- Bonds likely to be rated by S&P and Fitch
- With anticipated original issue premium, it is expected that the par amount of bonds issued will be in the range of $5.7M
- No debt services reserve fund
- Bonds will fund all costs of issuance
- Anticipated Debt Maturity: 25 years or less
- Current anticipated interest rate (True Interest Cost = TIC): ~ 3.85
- Annual debt service payments in the range of $386,000 to $390,000 given current rates
- High points in timing to completion
  - Council consider Super Parameters Resolution for Adoption on Feb 20th
  - Refine Bond documents & Prepare Rating Presentation next two weeks
  - Rating presentation March 7-9
  - Receive Ratings March 23
  - Price Bonds April 3
  - Close on, or about April 19th

**Refunding Opportunities**
The City has outstanding two other water/sewer bond issues. While it is not currently anticipated that the outstanding bonds can be refunded for a cost savings, the parameters in the resolution have been set so as to allow for the inclusion of these refunding transactions should circumstances arise and allow for them to be issued in conjunction with the new money bonds and generate an economic savings.

**Parameters under which the bonds will be issued:**
- Maximum Par: $13,000,000 to allow for the possibility of project cost increases ($7M max for new money portion) and most significantly to allow for the outstanding bonds to be refunded ($6M).
- Maximum Length to Maturity: 27 years (just to provide flexibility if needed)

Maximum Interest Rate: 6% to allow for the ability to price with original issue premium. Anticipated True interest cost currently expected to be in the 3.85% to 4.00% range.

Councilmember Paul Glover said looking down the line, the government is supposedly going to do all this infrastructure, what does that mean?
Laura Lewis said she doesn’t know the details yet. What she is hearing is that the plan will push the bulk of that responsibility onto the cities and states.

Councilmember Dustin Gettel asked if the water smart system would be available to individuals in apartments & renters.

Laurie Harvey said it would be up to the property owner if they wanted to share that information.

A. DISCUSS PROPOSED FY2018 BUDGET AMENDMENTS

Laurie discussed proposed amendments to General Fund for FY 2018:

- “Tiger” Grant for Crosswalks - $158,000
- Return of premium from ULGT - $30,000
- Increase contribution to Midvale B&G Club - $20,000
- Increase Legal Services/Professional Services - $40,000
- Increase P&Z Planner Position - $30,000
  - Net Impact to General Fund Balance - $60,000

Proposed Amendments to the Enterprise Funds for FY2018:

- Sanitation Fund
  - From Fund Balance - $6,000 for monthly bulk waste pickup
- Storm Water
  - From Fund Balance - $27,300 for FLSmith outfall project

This item is scheduled for a public hearing and action item next week.

B. MIDYEAR BUDGET REVIEW

Laurie Harvey reviewed the following information regarding the mid-year budget:

FISCAL YEAR 2018 MIDYEAR BUDGET REVIEW

![General Fund Revenue Graph](image-url)
### B&C Road Funds

HB 362 went into effect January 2016
- Confusion regarding distribution to Counties vs. Cities
- Payment #6 of 6 payments delayed until November 2016
- Approximately $90,000 of FY 2016 revenue was reported in FY 2017
- FY 2017 B&C Road Fund revenue exceeded estimates by $106,000

FY 2018 B&C Road Fund revenue is on track to match estimate

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2018 Budget</th>
<th>YTD 12/31/2017</th>
<th>%</th>
<th>FY 2017 Budget</th>
<th>YTD 12/31/2016</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses/permits</td>
<td>$571,000</td>
<td>$277,000</td>
<td>49%</td>
<td>$701,000</td>
<td>$340,700</td>
<td>49%</td>
</tr>
<tr>
<td>Sale of assets</td>
<td>571,000</td>
<td>7,600</td>
<td>1%</td>
<td>5,000</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>34,500</td>
<td>(46,000)</td>
<td>-</td>
<td>115,400</td>
<td>58,000</td>
<td>50%</td>
</tr>
</tbody>
</table>

| Total               | $1,176,500     | $238,600       | 20% | $821,400       | $398,700       | 49% |

<table>
<thead>
<tr>
<th>B&amp;C Road Funds</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018 Budget</td>
<td>$1,103,600</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YTD 12/31/2017</td>
<td>$475,326</td>
<td>43%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2017 Budget</td>
<td></td>
<td>$1,053,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YTD 12/31/2016</td>
<td>$584,048</td>
<td>55%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
GENERAL FUND EXPENDITURES

General Fund Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018 Budget</td>
<td>$19,132,100</td>
<td></td>
</tr>
<tr>
<td>YTD 12/31/2017</td>
<td>$9,065,832</td>
<td>47%</td>
</tr>
<tr>
<td>FY 2017 Budget</td>
<td>$18,373,200</td>
<td></td>
</tr>
<tr>
<td>YTD 12/31/2016</td>
<td>$8,526,500</td>
<td>46%</td>
</tr>
</tbody>
</table>

Services

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2018 Budget</td>
<td>$8,351,400</td>
</tr>
<tr>
<td>YTD 12/31/2017</td>
<td>$4,139,725</td>
</tr>
<tr>
<td>FY 2017 Budget</td>
<td>$7,783,200</td>
</tr>
<tr>
<td>YTD 12/31/2016</td>
<td>$3,757,259</td>
</tr>
</tbody>
</table>
CAPITAL IMPROVEMENT PROJECTS

<table>
<thead>
<tr>
<th>Project Description</th>
<th>FY 2018 Budget</th>
<th>YTD 12/31/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement Management</td>
<td>$6,476,700</td>
<td>$1,454,345</td>
</tr>
<tr>
<td>Major road improvements</td>
<td>2,814,800</td>
<td>140,875</td>
</tr>
<tr>
<td>Community Center/Bowery</td>
<td>950,000</td>
<td>4,481</td>
</tr>
<tr>
<td>Future projects</td>
<td>420,000</td>
<td></td>
</tr>
<tr>
<td>CDBG Project - Grant Street</td>
<td>317,400</td>
<td></td>
</tr>
<tr>
<td>Curb &amp; Gutter Replacement</td>
<td>200,000</td>
<td>11,202</td>
</tr>
<tr>
<td>7200 S. Gateway project</td>
<td>166,000</td>
<td></td>
</tr>
<tr>
<td>7200 South Intersections</td>
<td>134,800</td>
<td></td>
</tr>
<tr>
<td>CDBG Project - Allen Street</td>
<td>89,200</td>
<td>89,000</td>
</tr>
<tr>
<td>Splash Pad/park improvements</td>
<td>55,500</td>
<td></td>
</tr>
<tr>
<td>City Hall Overflow Parking</td>
<td>55,000</td>
<td></td>
</tr>
<tr>
<td>Housing Trust Fund</td>
<td>50,000</td>
<td></td>
</tr>
<tr>
<td>Crosswalk Improvements</td>
<td>50,000</td>
<td>6,550</td>
</tr>
<tr>
<td>Cemetery expansion</td>
<td>44,900</td>
<td></td>
</tr>
<tr>
<td>Pickleball Court</td>
<td>42,000</td>
<td>40,155</td>
</tr>
<tr>
<td>Amphitheatre improvement study</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>JR Trail Extension</td>
<td>30,000</td>
<td>4,192</td>
</tr>
<tr>
<td>50/50 sidewalk program</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>Open Space Acquisition</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>Normandy Way</td>
<td>10,000</td>
<td></td>
</tr>
</tbody>
</table>

![Water Fund Revenue Chart]

- FY 2018 Budget: $4,840,100
- FY 2018 12/17: $2,794,797 (58%)
- FY 2017 Budget: $4,746,100
- FY 2017 12/16: $2,691,915 (57%)
Total Water Expenditures

- FY 2018 Budget: $5,603,900
- FY 2018 12/17: $3,205,990, 57%
- FY 2017 Budget: $5,463,000
- FY 2017 12/16: $2,635,365, 48%

Capital outlay

- FY 2018 Budget: $1,440,800
- FY 2018 12/17: $612,628, 43%
- FY 2017 Budget: $1,210,800
- FY 2017 12/16: $91,258, 8%
### Debt service

- **FY 2018 Budget:** $1,339,500
- **FY 2018 12/17:** $1,102,523 (82%)
- **FY 2017 Budget:** $1,374,600
- **FY 2017 12/16:** $1,110,222 (81%)

### Salaries & wages

- **FY 2018 Budget:** $865,300
- **FY 2018 12/17:** $433,549 (50%)
- **FY 2017 Budget:** $825,600
- **FY 2017 12/16:** $411,244 (50%)
PUBLIC UTILITIES SEWER FUND
Payments to South Valley Water Reclamation Facility (SVWRF) for sewer treatment

- In May 2017, budget for sewer treatment was increased by $185,000 to reconcile actual cost of treatment. Budget at December 2016 was $875,600. Expenditures at December 2016 were $400,515, or 46%. 
- In FY 2017, sewer operations expenditures were reduced by a book entry for $88,140 as we expect to receive a credit in FY 2018 for the last six months of FY 2017. That book entry was reversed in July of 2017. Actual expenditures were $504,694, or 56% of budget.

- The most recent information from SVWRF indicates we will receive a credit of $200,000 in the spring of 2018, which will bring us in at or under budget.

**STORM WATER UTILITY FUND**

![Graph showing Storm Water Utility Fund Revenue and Expenditures](image-url)
STREET LIGHTING UTILITY FUND
SANITATION FUND
TELECOMMUNICATIONS FUND
C. DISCUSS PROCESS OF APPOINTING PLANNING COMMISSION MEMBERS
Kane Loader said this item would be tabled until a later date.

II. ADJOURN
Mayor Hale adjourned the meeting at approximately 7:28 p.m.

Rori L. Andreason, MMC
H.R. DIRECTORY/CITY RECORDER

Approved this 20th day of February, 2018
Consideration for adoption of a Resolution authorizing the issuance and sale of not more than $13 million aggregate principal amount of Water, Sewer, and Storm Water Revenue and Refunding Bonds, Series 2018, and related matters.

Resolution No. 2018-R-11

SUBMITTED BY: Laurie N. Harvey
Director of Administrative Services

SUMMARY:
Midvale City is considering issuing Water, Sewer, and Storm Water Revenue Bonds to finance the following projects:

- Direct connection between the water systems of the City and Jordan Valley Water Conservancy District
- Improvements to the City’s water meter reading system
- Improvements to the City’s water, sewer, and storm water system infrastructure
- Upgrades to grit and phosphorous removal equipment at South Valley Water Reclamation Facility, of which City is a partial owner

The estimated cost of these projects is $6.2 million. The bonds will be rated by Standard & Poors and Fitch. With anticipated premium, it is expected that the par amount of bonds issued will be in the range of $5.7 million. The current anticipated interest rate (true interest cost or TIC) is 3.85%.

The attached resolution establishes parameters within which designated City officials can approve the sale of the bonds. The parameters in the resolution allow a maximum par amount of the bonds of $7 million, a maximum interest rate of 6% (allowing for the ability to price with original issue premium), with a maximum length to maturity of twenty-seven years.

The City has outstanding two other water/sewer bond issues. While it is not currently anticipated that the outstanding bonds can be refunded for a cost savings, the parameters in the Resolution have been set so as to allow for the inclusion of these refunding transactions should circumstances arise. The Resolution also allows for them to be issued in conjunction with the new money bonds described above. The maximum par amount in the Resolution is $7 million. Other terms match those stated in the above paragraph.
The Resolution provides for a 30-day contest period. Upon passage of this Resolution, the City and its partners will continue to refine the bond documents, meet with rating agencies, and price the bonds in early April.

**FISCAL IMPACT:**

Annual debt service on the bonds is in the range of $386,000 to $390,000 given current rates. Debt service coverage must remain at 1.25x each year until the bonds mature. This means that net revenue available from the systems must exceed total debt service by more than 1.25 times.

**STAFF RECOMMENDATION (MOTION READY):**

Staff recommends adopting the following resolution:

I move that we approve Resolution Number 2018-R-11, authorizing the issuance and sale of not more than $13 million aggregate principal amount of Water, Sewer, and Storm Water Revenue and Refunding Bonds, Series 2018, and related matters. The aggregate principal amount of bonds authorized is not more than $6 million for new projects and not more than $7 million for refunding opportunities.

**Attachments:** Resolution 2018-R-11
The City Council (the “Council”) of Midvale City, Utah, met in regular public session at the regular meeting place of the Council in Midvale, Utah, on Tuesday, February 20, 2018, at the hour of 6:00 p.m., with the following members of the Council being present:

Robert M. Hale Mayor
Bryant Brown Councilmember
Paul Glover Councilmember
Paul Hunt Councilmember
Dustin Gettel Councilmember
Quinn Sperry Councilmember

Also present:

Kane Loader City Manager
Rori Andreason City Recorder
Laurie Harvey Director of Administrative Services
Lisa Garner City Attorney

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 February 20, 2018, 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. 2018-_________

A RESOLUTION OF THE CITY COUNCIL OF MIDVALE CITY, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN $13,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER, SEWER, AND STORM WATER REVENUE AND REFUNDING BONDS, SERIES 2018; 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; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; 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 OF A PUBLIC HEARING DATE; AUTHORIZING AND APPROVING THE EXECUTION OF AN INDENTURE, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A 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 the Issuer desires to (a) finance all or a portion of the costs of improvements to the Issuer’s water, sewer, and storm water system and all related improvements (the “Series 2018 Project”), (b) refund certain outstanding water, sewer and storm water revenue bonds of the Issuer (the “Refunded Bonds”), (c) fund any necessary debt service reserve funds, and (d) pay costs of issuance with respect to the Series 2018 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 Water, Sewer, and Storm Water Revenue and Refunding Bonds, Series 2018 (the “Series 2018 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 and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (together, the “Act”), (b) this Resolution, and (c) a General Indenture of Trust (the “General Indenture”), and a Supplemental Indenture (the “Supplemental Indenture” and together with the General Indenture, the “Indenture”), with such Indenture in substantially the form presented to the meeting at which this Resolution was adopted and which is 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 2018 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase agreement (the “Bond Purchase Agreement”), in substantially the form attached hereto as Exhibit C to be entered into between the Issuer and the underwriter or the purchaser (the “Underwriter/Purchaser”) selected by the Issuer for any portion of the Series 2018 Bonds; and

WHEREAS, in the event that the Designated Officers (defined below) determine that it is in the best interests of the Issuer to publicly offer all or a portion of the Series 2018 Bonds, the Issuer desires to authorize the use and distribution of one or more of a Preliminary Official Statement (the “Preliminary Official Statement”) in substantially the form attached hereto as Exhibit D, and to approve one or more of a final Official Statement (the “Official Statement”) in substantially the form as the Preliminary Official Statement, and other documents relating thereto; and

WHEREAS, in order to allow the Issuer flexibility in setting the pricing date of the Series 2018 Bonds to optimize debt service costs to the Issuer, the Council desires to grant to any one of the Mayor or Mayor pro tem (collectively, the “Mayor”), the City Manager, or the Director of Administrative Services (collectively, the “Designated Officers”), the authority to (a) determine whether all or a portion of the Series 2018 Bonds should be sold pursuant to a private placement or a public offering; (b) approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2018 Bonds shall be sold; and (c) 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 Midvale City, Utah, as follows:

Section 1. For the purpose of (a) financing the Series 2018 Project, (b) refunding the Refunded Bonds, (a) funding a deposit to a debt service reserve fund, if necessary, and (d) paying costs of issuance of the Series 2018 Bonds, the Issuer hereby authorizes the issuance of the Series 2018 Bonds which shall be designated “Midvale City, Utah Water, Sewer, and Storm Water Revenue and Refunding Bonds, Series 2018” (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 aggregate principal amount of not to exceed $13,000,000. The Issuer shall not issue more than (i) $7,000,000 of Series 2018 Bonds in aggregate principal amount to finance the Series 2018 Project (the “Project
Bonds”) or (ii) $6,000,000 of Series 2018 Bonds in aggregate principal amount to refund the Refunded Bonds (the “Refunding Bonds”). The Series 2018 Bonds shall mature in not more than twenty-seven (27) 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 of not to exceed six percent (6.00%) per annum, as shall be approved by the Designated Officers, all within the Parameters set forth herein.

Section 2. The Designated Officers are hereby authorized to specify and agree as to the method of sale, the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2018 Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution. The selection of the method of sale, the selection of the Underwriter/Purchaser and the determination of the final terms and redemption provisions for the Series 2018 Bonds by the Designated Officers shall be evidenced by the execution of the Bond Purchase Agreement if the Series 2018 Bonds are sold at a private or negotiated underwriting sale in substantially the form attached hereto as Exhibit C. The form of the Bond Purchase Agreement are hereby authorized, approved and confirmed

Section 3. The Indenture and the Bond Purchase Agreement in substantially the forms presented to this meeting and attached hereto as Exhibits B and C, respectively, are hereby authorized, approved, and confirmed. The Mayor and City Recorder are hereby authorized to execute and deliver the Indenture and the Designated Officers are hereby authorized to execute and deliver the Bond Purchase Agreement in substantially the forms and 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 within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 5 hereof. The Designated Officers are hereby authorized to select the Underwriter/Purchaser.

Section 4. Should the Designated Officers determine to have the Series 2018 Bonds underwritten, the Issuer hereby authorizes the utilization of the Preliminary Official Statement in the form attached hereto as Exhibit D in the marketing of the Series 2018 Bonds and hereby approves the Official Statement in substantially the same form as the Preliminary Official Statement. The Mayor is hereby authorized to execute the Official Statement evidencing its approval by the Issuer.

Section 5. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Preliminary Official Statement, the Official Statement, the Series 2018 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 2018 Bonds (within the Parameters set by this Resolution), to conform to any applicable bond insurance or reserve instrument or to remove the same, 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.
Section 6. The form, terms, and provisions of the Series 2018 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 the City Recorder are hereby authorized and directed to execute and seal the Series 2018 Bonds and to deliver said Series 2018 Bonds to the Trustee for authentication. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 7. 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 2018 Bonds in accordance with the provisions of the Indenture.

Section 8. Upon their issuance, the Series 2018 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2018 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2018 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 9. The Designated Officers and 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, any escrow agreement permitted under the Indenture and tax compliance procedures) 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 10. After the Series 2018 Bonds are delivered by the Trustee to the Underwriter/Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the principal of, premium, if any, and interest on the Series 2018 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 11. The Issuer shall hold a public hearing on March 20, 2018 to receive input from the public with respect to (a) the issuance of the Series 2018 Bonds issued under the Act, and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2018 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 Salt Lake Tribune and the Deseret News, newspapers 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 Midvale 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 and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (together, the “Act”), that on February 20, 2018, the City Council (the “Council”) of Midvale City, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Water, Sewer, and Storm Water Revenue and Refunding Bonds, Series 2018 (the “Series 2018 Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer), and called a public hearing to receive input from the public with respect to (a) the issuance of that portion of the Series 2018 Bonds issued under the Act and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2018 Bonds issued under the Act may have on the private sector.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on March 20, 2018, at the hour of 6:00 p.m. at 7505 South Holden Street, Midvale, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of that portion of the Series 2018 Bonds issued under the Act and (b) any potential economic impact that the Project to be financed with the proceeds of that portion of the Series 2018 Bonds issued under the Act may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE SERIES 2018 BONDS

The Series 2018 Bonds will be issued for the purpose of (a) financing all or a portion of the costs of financing all or a portion of the costs of improvements to the Issuer’s water, sewer, and storm water system and all related improvements (the “Series 2018 Project”), (b) refunding certain outstanding water, sewer and storm water revenue bonds of the Issuer (the “Refunded Bonds”), (d) funding any debt service reserve funds, as necessary, and (d) paying costs of issuance of the Series 2018 Bonds.

PARAMETERS OF THE SERIES 2018 BONDS

The Issuer intends to issue the Series 2018 Bonds in the aggregate principal amount of not more than Thirteen Million Dollars ($13,000,00), to mature in not more than twenty-seven (27) 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 (6.00%) per annum. The Series 2018 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 (together, the “Indenture”) which were before the Council in substantially final form 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 2018 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2018 Bonds for any reason and at any time up to the issuance of the Series 2018 Bonds.
REVENUES PROPOSED TO BE PLEDGED

The Series 2018 Bonds are special limited obligations of the Issuer payable from the net revenues of the System.

OUTSTANDING BONDS SECURED BY THE REVENUES

The Issuer currently has $19,031,000 of parity bonds outstanding secured by the net revenues of the System ($6,000,000 of which are anticipated to be refunded with the proposed Series 2018 Bonds).

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer’s outstanding bonds may be found in the Issuer’s financial report (the “Financial Report”) at: http://secure.utah.gov/auditor-search/. For additional information, including any information more recent than as of the date of the Financial Report, please contact Laurie Harvey, Director of Administrative Services at (801) 567-7238.

TOTAL ESTIMATED COST OF BONDS

Based on the Issuer’s current plan of finance for the Series 2018 Project and a current estimate of interest rates, the total principal and interest cost of the Series 2018 Bonds to be issued under the Act to finance the 2018 Project, if held until maturity, is $9,537,000.

A copy of the Resolution and the Indenture are on file in the office of Midvale City Recorder, 7505 South Holden Street, Midvale, Utah, where they may be examined during regular business hours of the City Recorder from 8:00 a.m. to 6:00 p.m. Monday through Friday, for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which (i) any person in interest shall have the right to contest the legality of the Resolution, the Indenture (as it pertains to the Series 2018 Bonds), or the Series 2018 Bonds, or any provision made for the security and payment of the Series 2018 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever and (ii) registered voters within Midvale City, Utah may sign a written petition requesting an election to authorize the issuance of the Series 2018 Bonds. If written petitions which have been signed by at least 20% of the registered voters of Midvale City, Utah are filed with the Issuer during said 30-day period, the Issuer shall be required to hold an election to obtain voter authorization prior to the issuance of the Series 2018 Bonds. If fewer than 20% of the registered voters of Midvale City, Utah file a written petition during said 30-day period, the Issuer may proceed to issue the Series 2018 Bonds without an election.

DATED this February 20, 2018.

/s/ Rori Andreason
City Recorder
Section 12. The Issuer hereby reserves the right to opt not to issue the Series 2018 Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing.

Section 13. 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 14. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Series 2018 Project. The Series 2018 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 2018 Bonds which will be issued to finance the reimbursed costs of the Project is not expected to exceed $7,000,000.
APPROVED AND ADOPTED this February 20, 2018.

(SEAL)

By: ________________________________
   Mayor

ATTEST:

By: ________________________________
   City Recorder
(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the Agenda, the meeting was adjourned.

(SEAL)

By:_________________________________

Mayor

ATTEST:

By:_________________________________

City Recorder
STATE OF UTAH  

COUNTY OF SALT LAKE  

I, Rori Andreason, the duly appointed and qualified City Recorder of Midvale City, Utah (the “City”), do 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 February 20, 2018, 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 February 20, 2018, and pursuant to the Resolution, there was published a Notice of Public Hearing and Bonds to be Issued no less than fourteen (14) days before the public hearing date: (a) once a week for two consecutive weeks in The Salt Lake Tribune and the Deseret News, newspapers having general circulation within the City, the affidavit of which publication will be attached upon availability, (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 February 20, 2018.

(SEAL)

By: ________________________________
City Recorder
I, Rori Andreason, the undersigned City Recorder of Midvale 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 February 20, 2018, 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 February ___, 2018, 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 delivered to The Salt Lake Tribune and the Deseret News on February ___, 2018, 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 posted on 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 2018 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) provided to at least one newspaper of general circulation within the City on _______________, and (c) published on the Utah Public Notice Website (http://pmn.utah.gov) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this February 20, 2018.

(SEAL)

By: ________________________________

City Recorder
SCHEDULE 1

NOTICE OF MEETING
SCHEDULE 2

ANNUAL MEETING SCHEDULE
(attach Proof of Publication of
Notice of Public Hearing and Bonds to be Issued)
EXHIBIT B

FORM OF INDENTURE

(See Transcript Document Nos. __ and __)
EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. ___)
EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

(See Transcript Document No. ___)
BOND PURCHASE CONTRACT

$__________
Midvale City, Utah
Water, Sewer, and Storm Water Revenue Bonds,
Series 2018

__________, 2018

Midvale City
7505 South Holden Street
Midvale, Utah 84047

The undersigned, as representative of George K. Baum & Company the underwriter of the hereinafter defined Series 2018 Bonds (the “Underwriter”), acting on behalf of the Underwriter and not as fiduciary or agent for you, offers to enter into this Bond Purchase Contract (the “Purchase Contract”) with Midvale City, Utah (the “Issuer”) which, upon the acceptance by the Issuer of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

This offer is made subject to your acceptance and approval on or before 11:59 p.m. Utah Time, on the date hereof. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter referred to Official Statement.

ARTICLE I

SALE, PURCHASE AND DELIVERY

Section 1.1. (a) On the basis of the representations, warranties and agreements contained herein and upon the terms and conditions herein set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to sell to the Underwriter, all, but not less than all, of the Issuer’s $__________ aggregate principal amount of Water, Sewer, and Storm Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”), at a purchase price of $__________ (representing the principal amount of the Series 2018 Bonds, plus a [net] reoffering premium of $__________ and less an Underwriter’s discount of $__________) plus accrued interest, if any, from their dated date to the Closing Date (as hereinafter defined). The Series 2018 Bonds will mature on the dates and in the amounts and bear interest at the rates per annum as set forth in Schedule A hereto.

(b) The Series 2018 Bonds shall be as described in the Official Statement dated __________, 2018, of the Issuer relating to the Series 2018 Bonds (together with all appendices thereto, the “Official Statement”), shall be issued and secured under and pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), and other applicable
provisions of law; (ii) a General Indenture of Trust dated as of April 1, 2007, as heretofore supplemented and amended and as further supplemented by an Eighth Supplemental Indenture of Trust dated as of ________ 1, 2018 (collectively, the “Indenture”), each by and between the Issuer and ZB, National Association, dba Zions Bank, as trustee (the “Trustee”); and (iii) a resolution of the Issuer adopted on February 20, 2018 (the “Resolution”). The Series 2018 Bonds are payable from and secured solely by the Net Revenues (as defined in the Indenture). The Series 2018 Bonds are being issued pursuant to the Resolution, the Indenture, and the Act.

(c) The Issuer has previously issued and has outstanding under the Indenture Outstanding Parity Bonds (as described in the Official Statement) which are payable from and secured by a lien on the Net Revenues on a parity with the lien of the Series 2018 Bonds.

(d) The Series 2018 Bonds are being issued for the purpose of (i) financing improvements to the Issuer’s water, sewer, and storm water facilities (collectively, the “System”); and (ii) paying costs of issuance of the Series 2018 Bonds.

(e) The Indenture, the Series 2018 Bonds, the Resolution, and the Continuing Disclosure Undertaking (defined below), and this Purchase Contract are sometimes referred to collectively herein as the “Transaction Documents.”

Section 1.2. (a) The Underwriter will make an initial bona fide public offering of the Series 2018 Bonds at prices (or yields) not in excess of the initial public offering prices (or not lower than the yields) set forth in Schedule A attached hereto. The Underwriter may subsequently change such initial public offering prices (or yields), and hereby agrees to notify the Issuer of such changes, if such changes occur prior to the Closing (herein defined), but failure to so notify shall not invalidate such changes. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market prices of the Series 2018 Bonds and (ii) to discontinue such transactions, if commenced, at any time without prior notice.

(b) For purposes of this Section only the following definitions shall apply:

“Effective Time” means the time on the Sale Date that this Purchase Contract to purchase the Series 2018 Bonds becomes enforceable.

“Holding Period” means with respect to each Undersold Maturity the period beginning on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date and time at which the Purchaser has sold at least 10% of that Undersold Maturity of the Series 2018 Bonds to the Public at one or more prices that are no higher than the Initial Offering Price.

“Initial Offering Price” means the price listed on Schedule A for each Maturity.
“Maturity” means Series 2018 Bonds with the same credit and payment terms; Series 2018 Bonds with different maturity dates, or Series 2018 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriting Firm or a related party to an Underwriting Firm. An Underwriting Firm and a person are related if it and the person are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

“Purchaser,” in this Section, means George K. Baum & Company [on its own behalf and as representative of each Underwriting Firm].

“Sale Date” means the date of execution of this Purchase Contract.

“Undersold Maturity” or “Undersold Maturities” means any Maturity for which less than 10% of the principal amount of Series 2018 Bonds of that Maturity have been sold.

“Underwriting Firm” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public).

(c) The Purchaser represents and agrees as follows:

(i) As of the Effective Time all of the Series 2018 Bonds have been the subject of an initial offering to the Public.

(ii) As of the Effective Time none of the Series 2018 Bonds have been sold to any person at a price higher than the Initial Offering Price for that Maturity.

(iii) During the Holding Period each Underwriting Firm agrees it will not offer nor sell Series 2018 Bonds of an Undersold Maturity to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.
(iv) Any separate agreement among any Underwriting Firm related to the sale of an Undersold Maturity during the Holding Period does or shall contain the agreement referenced in (iii) above.

(v) The Purchaser will assist the Issuer in establishing the issue price of the Series 2018 Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Issuer and Bond Counsel, to demonstrate, as applicable, the sales price or prices or the Initial Offering Price of the Series 2018 Bonds.

Section 1.3. (a) By acceptance and approval of this Purchase Contract, the Issuer hereby authorizes the use of copies of the Official Statement. The Issuer hereby agrees to provide to the Underwriter within seven (7) business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board. The Issuer has heretofore “deemed final” the Preliminary Official Statement dated __________, 2018, and relating to the Series 2018 Bonds (the “Preliminary Official Statement”) for purposes of paragraph (b)(1) of Rule 15c2-12 and the Issuer acknowledges and ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Series 2018 Bonds.

(b) In order to assist the Underwriter in complying with paragraph (b)(5) of Rule 15c2-12, the Issuer will undertake, pursuant to a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”), to be dated as of the Closing Date to provide annual reports and notices of certain events. A form of the Continuing Disclosure Undertaking is set forth as Appendix D to the Preliminary Official Statement and will also be set forth as Appendix D to the Official Statement.

Section 1.4. At approximately 9:00 a.m., Utah time, on __________, 2018, or on such later date as shall be agreed upon in writing by the Issuer and the Underwriter (the “Closing Date”), the Issuer will cause the Series 2018 Bonds to be delivered to or for the account of the Underwriter in definitive form, duly executed and authenticated, at such place designated by the Underwriter and will deliver to the Underwriter the other documents herein mentioned at the offices of Bond Counsel, or such other location as may be mutually agreed upon by the Issuer and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Series 2018 Bonds as set forth in paragraph 1.1(a) hereof by wire transfer, payable in federal funds or other immediately available funds to the order of the Trustee (such delivery and payment are herein called the “Closing”). The Series 2018 Bonds shall be initially issued in the form of one fully registered Bond for each maturity of the Series 2018 Bonds, shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), and shall be made
available to DTC or its agent for the account of the Underwriter in New York, New York (or such other place designated by the Underwriter).

ARTICLE II

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF ISSUER

By its acceptance hereof, the Issuer represents and warrants to and covenants with the Underwriter that:

Section 2.1. The Issuer is a political subdivision and body politic duly organized and existing under the laws of the State of Utah with full power and authority to consummate the transactions contemplated by the Transaction Documents, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

Section 2.2. The City Council of the Issuer has duly adopted the Resolution, has duly authorized and approved the execution and distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in the Transaction Documents and, as of the Closing Date, each will be in full force and effect and, as of the Closing Date, neither the Resolution nor any of the Transaction Documents will have been amended, supplemented, rescinded, repealed or otherwise modified except with the approval of the Underwriter.

Section 2.3. The adoption of the Resolution, the execution and delivery of the Transaction Documents, the compliance by the Issuer with the provisions of any or all of the foregoing documents, and the application of the proceeds of the Series 2018 Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the material breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the Issuer is a party or by which the Issuer or any of its property is or may be bound.

Section 2.4. The Issuer has duly authorized all necessary action to be taken by it for the adoption of the Resolution; the issuance and sale of the Series 2018 Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement, and the Transaction Documents; and the execution, delivery and receipt of the Transaction Documents, and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the excludability from gross income for federal income tax purposes of interest on the Series 2018 Bonds.
Section 2.5. Except as described in the Official Statement, 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 threatened against the Issuer or others (a) affecting the existence of the Issuer or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2018 Bonds or the revenues or assets of the Issuer mortgaged, appropriated, encumbered or pledged pursuant to the Indenture; (c) in any way contesting or affecting the validity or enforceability of the Series 2018 Bonds or any of the Transaction Documents or the transactions contemplated thereby; (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (e) contesting the powers of the Issuer or any authority for the issuance of the Series 2018 Bonds or the execution and delivery of any of the Transaction Documents.

Section 2.6. When delivered to and paid by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, the Series 2018 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special limited obligations of the Issuer in conformity with, and entitled to the benefit and security of the Indenture on a parity with the Outstanding Parity Obligations.

Section 2.7. The Issuer is not in breach of or in default under any material existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is bound; and the execution and delivery of the Series 2018 Bonds, the Transaction Documents, and this Purchase Contract, and compliance with the provisions thereof, will not conflict with or constitute a material breach or a default under any law, administrative regulation, judgment, decree, loan agreement, mortgage, indenture, deed of trust, note, resolution, agreement or other instrument to which the Issuer or its property is or may be bound.

Section 2.8. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Transaction Documents, or which could have a material adverse effect on the financial condition of the Issuer, receipt by the Issuer of the Net Revenues, or the transactions contemplated by the Transaction Documents, or have a material adverse effect on the validity or enforceability in accordance with their respective terms of the Transaction Documents or this Purchase Contract or in any way adversely affect the existence or any powers of the Issuer or the titles of its officers to their respective positions or the excludability from gross income for federal income tax purposes of interest on the Series 2018 Bonds.

Section 2.9. The information contained in the Preliminary Official Statement was, as of its date, and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances
under which they were made, not misleading; provided, however, that this representation
and warranty shall not be deemed to cover or apply to (x) information provided to the Issuer
in writing by the Underwriter and included on the inside front cover page of the Preliminary
Official Statement or the Official Statement regarding the principal amount, interest rates,
maturities and initial public offering prices of the Series 2018 Bonds or (y) statements in
the Preliminary Official Statement or the Official Statement under the captions “THE
SERIES 2018 BONDS—Book-Entry Only System,” “UNDERWRITER,” and
“APPENDIX F.”

Section 2.10. The Issuer will not take or omit to take any action which will in any
way cause the proceeds from the sale of the Series 2018 Bonds to be applied or result in
such proceeds being applied in a manner inconsistent with the Transaction Documents.

Section 2.11. The Issuer hereby authorizes the use of the Official Statement,
including all amendments and supplements thereto, by the Underwriter in connection with
the public offering and sale of the Series 2018 Bonds and consents to the use by the
Underwriter prior to the date hereof of the Preliminary Official Statement in connection
with the public offering and sale of the Series 2018 Bonds.

Section 2.12. The Issuer agrees to reasonably cooperate with the Underwriter in
any endeavor to qualify the Series 2018 Bonds for offering and sale under the securities or
“Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request;
provided, however, that the Issuer shall not be required with respect to the offer or sale of
the Series 2018 Bonds to file written consent to suit or to file written consent to service of
process in any jurisdiction. The Issuer hereby consents to the use of the Official Statement
by the Underwriter in obtaining such qualification.

Section 2.13. If between the date of this Purchase Contract and 25 days following
the “end of the underwriting period” (which the Issuer can assume is the Closing Date
unless otherwise notified in writing by the Underwriter) any event shall occur which might
or would cause the Official Statement to contain any untrue statement of a material fact or
to omit to state any material fact required to be stated therein or necessary to make the
statements therein, in the light of the circumstance under which they were made, not
misleading, the Issuer shall notify the Underwriter and if, in the opinion of the Underwriter,
such event requires the preparation and publication of a supplement or amendment to the
Official Statement, the Issuer will supplement or amend the Official Statement in a form
and in a manner approved by the Underwriter. If the Official Statement is amended or
supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may
terminate this Purchase Contract by notification to the Issuer at any time prior to the
Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement
has or will have a material adverse effect on the marketability of the Series 2018 Bonds.

Section 2.14. When executed by the respective parties thereto, this Purchase
Contract and the Transaction Documents will constitute legal, valid and binding
obligations of the Issuer enforceable in accordance with their respective terms except that
the rights and obligations under the Transaction Documents, and this Purchase Contract
are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance

7 Bond Purchase Contract
and other similar laws affecting creditors’ rights, to the application of equitable principles
if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases
and to limitations on legal remedies against public agencies in the State of Utah.

Section 2.15. The Issuer has complied, and will at the Closing be in compliance
in all respects, with the obligations on its part contained in the Transaction Documents and
this Purchase Contract and any and all other agreements relating thereto.

Section 2.16. Each representation, warranty or agreement stated in any certificate
signed by any officer of the Issuer and delivered to the Underwriter at or before the Closing
shall constitute a representation, warranty, or agreement by the Issuer upon which the
Underwriter shall be entitled to rely.

Section 2.17. With the exception of the Outstanding Parity Obligations, the Issuer
has not otherwise pledged or assigned the Net Revenues other than to secure and pay the
Series 2018 Bonds and the Series 2018 Bonds enjoy a first lien and pledge on the Net
Revenues on a parity with the Outstanding Parity Obligations.

Section 2.18. The Issuer has never failed to pay principal and interest when due
on any of its bonded indebtedness or other obligations nor has the Issuer ever failed to
appropriate sufficient amounts to timely pay any of its lease obligations;

Section 2.19. The Issuer’s audited financial statements as of, and for the year
ended, June 30, 2017, copies of which have heretofore been delivered to the Underwriter,
present fairly the financial position of the Issuer at June 30, 2017, and the results of its
operations and changes in financial position for the years then ended; any other statements
and data submitted in writing by the Issuer to the Underwriter in connection with this
Purchase Contract are true and correct in all material respects as of their respective dates;
except as described in the Official Statement and except as otherwise disclosed by the
Issuer to the Underwriter, since June 30, 2017, there has been no material adverse change
in the condition, financial or otherwise, of the Issuer from that set forth in the audited
financial statements as of and for the year ended that date, and the Issuer has not since June
30, 2017, incurred any material liabilities, directly or indirectly, whether or not arising in
the ordinary course of its operations;

Section 2.20. Any instances of non-compliance by the Issuer within the last five
years with each undertaking it has entered into pursuant to Rule 15c2-12, have been
properly disclosed by the Issuer in the Preliminary Official Statement and the Official
Statement.

Section 2.21. The Issuer will not take or omit to take any action that will in any
way cause the proceeds from the sale of the Series 2018 Bonds to be applied or result in
such proceeds being applied in a manner inconsistent the Indenture;
ARTICLE III

UNDERWRITER’S CONDITIONS

Section 3.1. The Underwriter has entered into this Purchase Contract in reliance upon the performance by the Issuer of its obligations hereunder. The Underwriter’s obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing for the Series 2018 Bonds, (1) the Transaction Documents shall be in full force and effect and shall not have been revoked, rescinded, repealed, amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (2) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Gilmore & Bell, P.C., bond counsel to the Issuer (“Bond Counsel”), shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate their obligations hereunder by written notice to the Issuer if, at any time subsequent to the date hereof and on or prior to the Closing Date:

(i) (A) Legislation shall have been enacted by the Congress, introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (B) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (C) an order, ruling, regulation, or communication (including a press release) shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or (D) any action shall be taken or statement made by or on behalf of the President of the United States or the Department of Treasury or the Internal Revenue Service or any member of the United States Congress which indicates or implies that legislation will be introduced in the current or next scheduled session of the United States Congress, with the purpose or effect, directly or indirectly, of requiring the inclusion in gross income for federal income tax purposes of interest to be received by any owners of the Series 2018 Bonds; or

(ii) Legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of the Underwriter, has the effect of requiring the offer or sale of the Series 2018 Bonds to be registered under the Securities Act or any other “security,” as defined in the Securities Act, issued in connection with or as part of the
issuance of the Series 2018 Bonds to be so registered or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended; or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes or has made untrue or incorrect in any respect any statement or information contained in the Official Statement or is not or was not reflected in the Official Statement but should be or should have been reflected therein in order to make the statements or information contained therein not misleading in any material respect; or

(iii) In the reasonable judgment of the Underwriter, it is impractical or inadvisable for the Underwriter to market or sell or enforce agreements to sell Series 2018 Bonds because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or a general banking moratorium shall have been established by federal or the State of Utah authorities or a material disruption in commercial banking or securities settlement or clearance services shall have occurred, or (B) the State of Utah shall have taken any action, whether administrative, legislative, judicial or otherwise, which would have a material adverse effect on the marketing or sale of the Series 2018 Bonds, including any action relating to the tax status of the Series 2018 Bonds under federal or Utah law as set forth in the opinion of Bond Counsel attached as Appendix E to the Official Statement, or (C) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise; or (D) a war involving the United States of America shall have been declared or any other conflict involving the armed forces of the United States of America has escalated, in either case to such a magnitude as to materially adversely affect the Underwriter’s ability to market the Series 2018 Bonds; (E) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or Utah or if any material disruption in commercial banking or securities settlement or clearance services shall have occurred; or

(iv) Any financial rating assigned to the Series 2018 Bonds or any other obligations of the Issuer by S&P Global Ratings (“S&P”), Fitch Ratings, Inc. (“Fitch”), or Moody’s Investors Service, Inc. (“Moody’s”), as the case may be, shall have been downgraded, withdrawn, or any other action taken, and such action, in the opinion of the Underwriter, has a material adverse effect on the marketability of the Series 2018 Bonds; or

(v) Any litigation shall be instituted, pending or threatened (A) to restrain or enjoin the issuance, sale or delivery of the Series 2018 Bonds, (B) in any way contesting or affecting any authority for or the validity of the Series 2018 Bonds, any of the proceedings of the Issuer or
the Trustee taken with respect to the issuance or sale thereof, the pledge, appropriation or application of any moneys or securities provided for the payment of the Series 2018 Bonds, or (C) in any way contesting or affecting the existence or powers of the Issuer or the Trustee or the titles of their officers to their respective offices; or

(vi) Any other event or circumstances shall have occurred which shall be beyond the reasonable control of the Underwriter and, in the opinion of the Underwriter, might in any way have a material adverse effect on the marketability of the Series 2018 Bonds.

(c) At or prior to the Closing, the Underwriter shall receive the following:

(i) The approving opinion of Gilmore & Bell, P.C., Bond Counsel, dated the Closing Date, in substantially the form attached as Appendix E to the Official Statement;

(ii) A letter from Gilmore & Bell, P.C., as disclosure counsel to the Issuer, dated the Closing Date and addressed to the Underwriter, in standard form for similar transactions;

(iii) The opinion of the office of the City Attorney, as counsel for the Issuer, in standard form for similar transactions and satisfactory to Bond Counsel and the Underwriter;

(iv) The Issuer’s certificate, dated the Closing Date, signed by the Mayor of the Issuer and the City Recorder of the Issuer and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the Issuer herein are true and correct in all material respects as of the Closing Date as if made on the Closing Date; (B) except as disclosed in the Official Statement, no litigation is pending or, to the best of their knowledge, threatened against the Issuer (i) to restrain or enjoin the issuance or delivery of any of the Series 2018 Bonds, or the collection of Net Revenues pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Series 2018 Bonds or the adoption of the Resolution or the execution and delivery of the Transaction Documents, the validity or enforceability of the Series 2018 Bonds and the Transaction Documents, or the excludability from gross income for federal income tax purposes of interest on the Series 2018 Bonds, (iii) questioning or challenging any power of the Issuer, including its ability to levy taxes, or (iv) in any way contesting the organization, existence or powers of the Issuer or the titles of its officers to their respective offices, or (v) contesting or attempting to restrain or enjoining the application of the proceeds thereof or the payment, collection or application of the Net Revenues or the pledge of the Net Revenues, or of other moneys, rights and interests pledged pursuant to the Indenture or the adoption of the Resolution; (C) the descriptions and information contained
in the Official Statement relating to the Issuer, its organization and financial and other affairs, and the application of the proceeds of sale of the Series 2018 Bonds are correct in all material respects, as of the date of the Official Statement and as of the Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of said Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (F) the Transaction Documents have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights and by the availability of equitable remedies; (G) the Resolution authorizing the execution and delivery of the Transaction Documents has been duly adopted and has not been modified, amended or repealed; and (H) the execution and delivery of the Transaction Documents and this Purchase Contract and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or any law, public administrative rule or regulation, court order or consent decree to which the Issuer is subject;

(v) Copies of each of the Resolution and the Transaction Documents, duly executed by each of the parties thereto;

(vi) Copies of the Tax Certificate of the Issuer, relating to matters affecting the excludability from gross income for federal income tax purposes of interest on the Series 2018 Bonds, including the use of proceeds of sale of the Series 2018 Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(vii) Copies of the Preliminary Official Statement and copies of the Official Statement;

(viii) Evidence satisfactory to the Underwriter that the Series 2018 Bonds have received ratings of “_____” and “_____” by S&P and Fitch, respectively;
(ix) All documents, certificates and opinions required by the Indenture; and

(x) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter, and the Underwriter shall have the right to waive any condition set forth in this Section.

ARTICLE IV

EXPENSES

All expenses and costs in connection with the authorization, issuance and sale of the Series 2018 Bonds to the Underwriter, including rating agency fees, the costs of printing the Official Statement and the Preliminary Official Statement, advertising costs, the initial fees of the Trustee in connection with the issuance of the Series 2018 Bonds, the fees and expenses of Bond Counsel, the fees and expenses of counsel to the Issuer, the Issuer’s municipal advisor, and travel and other expenses shall be costs and expenses of the Issuer and shall be paid by the Issuer.

ARTICLE V

GENERAL

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to the Underwriter, George K. Baum & Company, 15 West South Temple, Suite 1090, Salt Lake City, Utah 84101, Attention: Elizabeth Read. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to Midvale City, Utah, 7505 South Holden Street, Midvale, Utah 84047, Attention: Mayor. The approval or other action or exercise of judgment by the Underwriter shall be evidenced by a writing signed on behalf of the Underwriter and delivered to the Issuer.

This Purchase Contract is made solely for the benefit of the Issuer and the Underwriter (including its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties, covenants and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of and payment of the Series 2018 Bonds hereunder and regardless of any investigation made by the Underwriter or on their behalf.

This Purchase Contract shall be governed by the laws of the State of Utah.
This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Series 2018 Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Issuer and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); and (v) the Issuer consulted its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Series 2018 Bonds. The Issuer has retained Lewis Young Robertson and Burningham, Inc. as its Independent Registered Municipal Advisor in this transaction.

This Purchase Contract contains the entire agreement between the parties relating to the subject matter hereof, and all previous representations, endorsements, promises, agreements or understandings, oral, written or inferred, between the parties relating to the subject matter hereof are superseded hereby.
This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

This Purchase Contract shall become effective upon the execution by George K. Baum & Company and the acceptance hereof by the Issuer.

Dated this __________, 2018.

Time: _____ __.m.

Very truly yours,

GEORGE K. BAUM & COMPANY

By: ____________________________

Its: ____________________________

MIDVALE CITY, UTAH

By: ____________________________
    Designated Officer

ATTEST:

By: ____________________________
    City Recorder

(SEAL)
$__________
Midvale City, Utah
Water Sewer, and Storm Water Revenue Bonds,
Series 2018

<table>
<thead>
<tr>
<th>Maturity Date (October 1)</th>
<th>Principal Amount</th>
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SCHEDULE A
EXHIBIT A

UNDERWRITER’S RECEIPT FOR BONDS AND CLOSING CERTIFICATE

$__________
Midvale City, Utah
Water Sewer, and Storm Water Revenue Bonds,
Series 2018

The undersigned, on behalf of George K. Baum & Company (the “Original Purchaser”), as the original purchaser of the above-described bonds (the “Bonds”), being issued on the date of this Certificate by Midvale City, Utah (the “Issuer”), certifies and represents as follows:

1. Receipt of the Bonds. The Original Purchaser hereby acknowledges receipt of the Bonds pursuant to the Bond Purchase Contract (the “Purchase Contract”) by and between the Issuer and the Original Purchaser dated as of __________, 2018 (the “Sale Date”). The Bonds are issued as fully registered bonds, and are dated, mature on the dates, bear interest at the rates per annum, and are numbered as set forth in the Indenture (as defined in the Purchase Contract.)

2. Issue Price.
(a) For purposes of this Certificate the following definitions apply:

“Effective Time” means the time on the Sale Date that the Purchase Contract to purchase the Bonds became enforceable.

“Holding Period” means with respect to each Undersold Maturity the period beginning on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date;

or

(2) the date and time at which the Purchaser has sold at least 10% of that Undersold Maturity of the Bonds to the Public at one or more prices that are no higher than the Initial Offering Price.

“Initial Offering Price” means the price listed on Schedule A of the Purchase Contract for each Maturity.

“Maturity” means Bonds with the same credit and payment terms; Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

“Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriting Firm or a related party to an Underwriting Firm. An Underwriting Firm and a person are
related if it and the person are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

“Purchaser” means George K. Baum & Company.

“Sale Date” means the date of execution of the Purchase Contract.

“Undersold Maturity” or “Undersold Maturities” means any Maturity for which less than 10% of the principal amount of Bonds of that Maturity were sold as of the Effective Time.

“Underwriting Firm” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(b) The Purchaser represents as follows:

1. Attached as Attachment 1 is a copy of the pricing wire or similar communication used to communicate the Initial Offering Price of each Maturity to the Public.

2. As of the Effective Time all the Bonds were the subject of an initial offering to the Public.

3. As of the Effective Time none of the Bonds were sold to any person at a price higher than the Initial Offering Price for that Maturity.

4. [[As of the Effective Time there were no Undersold Maturities.]] [[For any Undersold Maturity, during the Holding Period each Underwriting Firm did not offer nor sell Bonds of the Undersold Maturity to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.

5. Any separate agreement among any Underwriting Firm related to the sale of an Undersold Maturity during the Holding Period contained the agreement referenced in 4 above.]]
GEORGE K. BAUM & COMPANY

By: ________________________________

Its: ________________________________

SCHEDULE A – [same as in Bond Purchase Contract]

ATTACHMENT 1 -- Initial Offering Price Documentation
[Attach Pricing Wire or Other Offering Price Documentation]
EIGHTH SUPPLEMENTAL INDENTURE OF TRUST

Dated as of __________, 2018

by and between

MIDVALE CITY, UTAH

and

ZB, NATIONAL ASSOCIATION, DBA ZIONS BANK,
as Trustee

Supplementing the
General Indenture of Trust
Dated as of April 1, 2007
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EIGHTH SUPPLEMENTAL INDENTURE OF TRUST

This Eighth Supplemental Indenture of Trust, dated as of _________, 2018, by and between Midvale 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 ZB, National Association, dba Zions Bank, 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”);

WITNESSETH:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of April 1, 2007, as heretofore supplemented (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 water, sewer, and storm water systems (collectively, the “System”) as hereinafter set forth; and

WHEREAS in order to (i) finance improvements to the System (collectively, the “Series 2018 Project”); [(ii) refund certain outstanding water, sewer, and storm water revenue bonds of the Issuer (the “Refunded Bonds”);] [(iii) fund a debt service reserve fund;] and (iv) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Water, Sewer and Storm Water Revenue [and Refunding] Bonds, Series 2018 in the aggregate principal amount of $___________ (the “Series 2018 Bonds”); and

WHEREAS, the Series 2018 Bonds will be authorized, issued and secured under the General Indenture, as supplemented by this Eighth Supplemental Indenture (the “Eighth Supplemental Indenture,” and collectively with the General Indenture, and any amendments or supplements thereto or hereto, the “Indenture”); and

WHEREAS, the execution and delivery of the Series 2018 Bonds and of this Eighth Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2018 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Eighth Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS EIGHTH SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2018 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 Eighth 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 ZB, National Association, dba Zions Bank, as Trustee, its successors and 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, 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 Eighth 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 2018 Bonds.

“Debt Service Reserve Requirement” means, with respect to the Series 2018 Bonds, the amount of $__________.
“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 2018 Bonds, each April 1 and October 1, commencing [October 1, 2018].


“Series 2018 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 2018 Bonds shall be deposited as provided herein.


“Series 2018 Project” means the __________ and other improvements to the System.

“Underwriter” means George K. Baum & Company.

ARTICLE II

ISSUANCE OF THE SERIES 2018 BONDS

Section 2.1. Principal Amount, Designation and Series. The Series 2018 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Series 2018 Project, [(ii) refund the Refunded Bonds,] (iii) [fund a debt service reserve fund] and (iv) pay costs incurred in connection with the issuance of the Series 2018 Bonds. The Series 2018 Bonds shall be limited to $__________ in aggregate principal amount, shall be issued in fully registered form in the denominations of [One Thousand Dollars ($1,000)] each or any integral multiple thereof, 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. Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months. The Series 2018 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, “Water, Sewer and Storm Water Revenue [and Refunding] Bonds, Series 2018.”

Section 2.2. Date, Maturities and Interest. [The Series 2018 Bonds shall be dated as of the Dated Date, and shall mature on October 1 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 2018
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:

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(October 1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 2018 Bonds maturing on or
before __________, are not subject to redemption prior to maturity. The Series 2018
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 2018
Bonds to be redeemed plus accrued interest, if any, thereon to the date of redemption.]

Section 2.4. [Mandatory Sinking Fund Redemption]. [The Series 2018 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:

<table>
<thead>
<tr>
<th>Mandatory Sinking Fund Redemption Date</th>
<th>Mandatory Sinking Fund Redemption Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(_____ )</td>
<td></td>
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</table>

* Final Maturity Date

Upon redemption of any Series 2018 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 2018 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 2018 Bonds and the City Recorder to countersign and attest by facsimile or manual signature the Series 2018 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2018 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2018 Bonds.

Section 2.6. **Delivery of Bonds.** It is hereby determined that the Series 2018 Bonds shall be authenticated and delivered to the Underwriter 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 2018 Bonds, acceptance of which appointment shall be evidenced by execution of this Eighth Supplemental Indenture by the Registrar.

Section 2.8. **Designation of Paying Agent.** The Trustee is hereby designated as Paying Agent for the Series 2018 Bonds, acceptance of which appointment shall be evidenced by execution of this Eighth Supplemental Indenture by the Paying Agent.

Section 2.9. **Limited Obligation.** The Series 2018 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 2018 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

Section 2.10. **Compliance with General Indenture for the Issuance of Additional Bonds.** Pursuant to Section 2.13 of the General Indenture.

Section 2.11.  **Bank Designation of Series 2018 Bonds.** For purposes of and in accordance with Section 265 of the Code, the Issuer has designated the Series 2018 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 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 2018 will not exceed $10,000,000. For purposes of this Section 2.10, “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 2018 does not exceed $10,000,000.]

(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 2018 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. Book-Entry System. (a) Except as provided in paragraphs (b) and (c) of this Section 2.13 the Registered Owner of all Series 2018 Bonds shall be, and the Series 2018 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 2.13, “DTC”). Payment of the interest on any Series 2018 Bond shall be made in accordance with the provisions of this Eighth 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 2018 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 2018 Bonds. Upon initial issuance, the ownership of each such Series 2018 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 2018 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 2018 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 2018 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2018 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 2018 Bonds. The Issuer, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, absolute owner of each Series 2018 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2018 Bond, (2) giving notices of redemption and other matters with respect to such Series 2018 Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2018 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 2018 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 2.13, 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 Eighth 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 Eighth Supplemental Indenture, the word “Cede” in this Eighth Supplemental Indenture shall refer to such new nominee of DTC.

(c) Except as provided in paragraph (c)(iii) of this Section 2.13, and notwithstanding any other provisions of this Eighth Supplemental Indenture, the Series 2018 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 2018 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 2018 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 2018 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 2018 Bonds or the Issuer; and the Issuer shall, by notice to the Registrar, terminate the services of DTC with respect to the Series 2018 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 2018 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2018 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2018 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 2018 Bonds.

(i) Upon the termination of the services of DTC with respect to the Series 2018 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2018 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 2018 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 2018 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 2018 Bonds.

(ii) Notwithstanding any other provision of this Eighth Supplemental Indenture to the contrary, so long as any Series 2018 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 2018 Bond and all notices with respect to such Series 2018 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 2018 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.

ARTICLE III

APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1. Creation of Series 2018 Accounts. There is hereby established with the Trustee [(i) a Series 2018 Account within the Debt Service Reserve Fund] and (ii) a Series 2018 Account within the Acquisition/Construction Fund.

Section 3.2. Application of Proceeds of the Series 2018 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2018 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 following account:

(a) Into the Series 2018 Acquisition/Construction Account the amount of $__________ and.

(b) $______________ shall be deposited into the hereinafter established Refunded [2007/2013] Bond Account of the Bond Fund, to refund the Refunded Bonds on ____________ (the “Redemption Date”); and

(c) Into the Series 2018 Cost of Issuance Account, the amount of $__________; and

(d) Into the Series 2018 Debt Service Reserve Account, the amount of $__________.
Section 3.3. **Creation of Series 2018 Cost of Issuance Account.** There is hereby established with the Trustee a Series 2018 Cost of Issuance Account.

Section 3.4. **Disbursements from Series 2018 Cost of Issuance Account.** Costs of issuance shall be paid by the Trustee from the Series 2018 Cost of Issuance Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request, in substantially the form of Exhibit B attached hereto. Any unexpended balance remaining in the Series 2018 Cost of Issuance Account 60 days after delivery of the Series 2018 Bonds shall be paid to the Issuer.

Section 3.5. **Debt Service Reserve Fund** [The Series 2018 Debt Service Reserve Requirement shall be funded by ______________. Thereafter, the Authority shall replenish the Series 2018 Debt Service Reserve Account as provided in the General Indenture.]

Section 3.6. **Authorization of Redemption Prior to Maturity of Refunded Bonds.** The Issuer hereby authorizes and approves the call and redemption of the Refunded Bonds on the Redemption Date, and directs the Trustee to give prompt notice of the defeasance of the Refunded Bonds and notice of the redemption thereof as required by the Indenture, and to do all other acts necessary to accomplish the redemption and defeasance of the Refunded Bonds.

Section 3.7. **Refunding and Redemption of Refunded Bonds.** The Issuer has irrevocably elected to redeem the Refunded Bonds on the Redemption Date, at a redemption price equal to one hundred percent (100%) of the principal amount of each Refunded Bond to be so redeemed, plus accrued interest thereon to the Redemption Date.

Section 3.8. **Creation of Refunded [2007/2013] Bonds Account.** There is hereby established an account in the Bond Fund to be known as the “Refunded [2007/2013] Bonds Account” into which moneys are to be deposited and held by the Trustee to refund the Refunded Bonds.

**ARTICLE IV**

**CONFIRMATION OF GENERAL INDENTURE**

As supplemented by this Eighth Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture, the Eighth Supplemental Indenture, and this Eighth 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 Eighth Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.
ARTICLE V

MISCELLANEOUS

Section 5.1. Confirmation of Sale of Series 2018 Bonds. The sale of the Series 2018 Bonds to the Underwriter at a price of $______________, is hereby ratified, confirmed and approved.

Section 5.2. Severability. If any provision of this Eighth 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 Eighth Supplemental Indenture contained, shall not affect the remaining portions of this Eighth Supplemental Indenture, or any part thereof.

Section 5.3. Counterparts. This Eighth 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 EIGHTH SUPPLEMENTAL INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE OF UTAH.

Section 5.5. Effective Date. This Eighth Supplemental Indenture shall become effective immediately upon execution.
IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Eighth Supplemental Indenture of Trust to be executed as of the date first written above.

MIDVALE CITY, UTAH

(SEAL)

By: ____________________________  
Mayor

COUNTERSIGN:

______________________________  
City Recorder

ZB, NATIONAL ASSOCIATION, DBA ZIONS BANK, as Trustee

By: ____________________________  
Title: ____________________________
EXHIBIT A

(FORM OF SERIES 2018 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.

UNITED STATES OF AMERICA
STATE OF UTAH
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BOND
SERIES 2018

[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 Rate Maturity Date Dated Date CUSIP
____% __________ _________, 2018

Registered Owner: ______________________________________________________

Principal Amount: _______________________________________ DOLLARS******

Midvale 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 ZB, National Association, dba Zions Bank, Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah 84133 (“Trustee” and “Paying Agent”) or its successors. [Principal payments due to mandatory
sinking fund redemption may be noted on the Record of Principal Payments attached hereto and upon signature of an authorized officer of the Registered Owner, the principal amount of this Bond shall be reduced by the payment of principal thereof on the dates and amounts indicated on such Record of Principal Payments without the surrender of the Bond to the Paying Agent. 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 “Water, Sewer, and Storm Water Revenue Bonds, Series 2018” (the “Series 2018 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 April 1 2007, as heretofore supplemented, and as further supplemented by a Eighth Supplemental Indenture of Trust dated as of __________, 2018 (collectively the “Indenture”) approved by resolution adopted on February 20, 2018 (the “Bond Resolution”), for the purpose of (i) financing [_________ __ to the Issuer’s water, sewer, and storm water systems] and all related improvements (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 “Midvale City, Utah Water, Sewer, and Storm Water 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 water, sewer, and storm water systems (collectively, the “System”) all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2018 Bonds and certain other outstanding bonds as described under the Indenture (the “Outstanding Parity 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 2018 Bonds and the Outstanding Parity 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
2018 Bonds, the terms upon which the Series 2018 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 2018 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2018 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 2018 Bonds shall be in default, interest on the Series 2018 Bonds issued in exchange for Series 2018 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2018 Bonds surrendered.

The Series 2018 Bonds are subject to optional redemption 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 ZB, National Association, dba Zions Bank (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.

MIDVALE CITY, UTAH

(SEAL)

____ (facsimile or manual signature)

Mayor

COUNTERSIGN:

____ (facsimile or manual signature)

City Recorder
CERTIFICATE OF AUTHENTICATION

This Bond is one of the Water, Sewer, and Storm Water Revenue Bonds, Series 2018 of Midvale City, Utah.

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

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<th>Signature of Authorized Officer</th>
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EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

ZB, National Association, dba Zions Bank
Corporate Trust Department
One South Main Street, 12th Floor
Salt Lake City, Utah  84133

Pursuant to Section 3.4 of the Eighth Supplemental Indenture of Trust dated as of __________, 2018, you are hereby authorized to pay to the following costs of issuance from the Series 2018 Cost of Issuance Account:

(See Attached Schedule)

________________________________________
AUTHORIZED REPRESENTATIVE,
MIDVALE CITY, UTAH

Costs of Issuance

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<th>Purpose</th>
<th>Amount</th>
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B-1
Preliminary Official Statement Dated March _____, 2018

NEW ISSUE—Issued in Book-Entry Only Form

[Ratings: S&P “_____”
Fitch “_____”
(See “BOND RATINGS” herein.)

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2018 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2018 Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” in this Official Statement.

$__________*

MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS,
SERIES 2018

Dated: Date of Initial Delivery

Due: October 1, as shown on the inside cover

The Series 2018 Bonds are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2018 Bonds. Purchases of Series 2018 Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Owners of the Series 2018 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2018 Bonds. Interest on the Series 2018 Bonds is payable on April 1 and October 1 of each year, commencing October 1, 2018, through ZB, National Association, dba Zions Bank, as Paying Agent, all as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2018 Bonds, payments of the principal of, premium, if any, and interest on such Series 2018 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See “THE SERIES 2018 BONDS—Book-Entry Only System” herein.

The Series 2018 Bonds are issued for the purpose of (i) financing improvements to the City’s water, sewer, and storm water facilities (collectively, the “System”) and (ii) paying costs associated with the issuance of the Series 2018 Bonds. [The Series 2018 Bonds are subject to optional redemption prior to maturity as described herein.] See “THE SERIES 2018 BONDS—Redemption” herein.

The Series 2018 Bonds are limited obligations of the City, payable solely from a pledge and assignment of Revenues of the System, after payment of Operation and Maintenance Expenses of the System, and moneys on deposit in the funds and accounts (other than the Rebate Fund and the Repair and Replacement Fund) established in the Indenture between the City and ZB, National Association, as trustee. Neither the credit nor the taxing power of the City or the State of Utah or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2018 Bonds. The Series 2018 Bonds are not general obligations of the City or the State of Utah or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2018 Bonds shall not directly, indirectly, or contingently obligate the City or the State of Utah or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2018 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS” herein.

The Series 2018 Bonds are offered when, as, and if issued and received by the Underwriter, subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney. Lewis Young Robertson & Burningham, Inc. has acted as municipal advisor to the City in connection with the issuance of the Series 2018 Bonds. It is expected that the Series 2018 Bonds, in book-entry only form, will be available for delivery on or about April _____, 2018.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement is dated April _____, 2018, and the information contained herein speaks only as of that date.

George K. Baum & Company

* Preliminary; subject to change.
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS,
SERIES 2018

MATURES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS

<table>
<thead>
<tr>
<th>Due (October 1)</th>
<th>Principal Amount*</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>CUSIP**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>598119</td>
</tr>
</tbody>
</table>

* Preliminary; subject to change.

** The above referenced CUSIP number(s) have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2018 Bonds. Neither the City, the Trustee nor the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the Series 2018 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.
The information set forth herein has been obtained from the City, DTC, and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City, or in any other information contained herein since the date hereof.

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of the Series 2018 Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

All inquiries relating to this Official Statement and the offering contemplated herein should be directed to the Underwriter. Prospective investors may obtain additional information from the Underwriter or the City which they may reasonably require in connection with the decision to purchase any of the Series 2018 Bonds from the Underwriter.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. Forward-looking statements are included in, but not limited to, the Official Statement under the captions “THE PROJECT,” “ESTIMATED SOURCES AND USES OF FUNDS,” and “HISTORICAL OPERATIONS AND PRO FORMA DEBT SERVICE COVERAGE.” The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The yields at which the Series 2018 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In connection with this offering, the Underwriter may engage in transactions that stabilize, maintain or otherwise affect market prices of the Series 2018 Bonds. Such transactions, if commenced, may be discontinued at any time.

THE SERIES 2018 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE SERIES 2018 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2018 Bonds.
MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS
SERIES 2018

7505 South Holden Street
Midvale, Utah 84047
(801) 567-7200

MAYOR AND CITY COUNCIL

Robert M. Hale ..................................................................................................................................................... Mayor
Bryant Brown ........................................................................................................................................ Councilmember
Dustin Gettel.......................................................................................................................................... Councilmember
Paul Glover ........................................................................................................................................ Councilmember
Paul Hunt ........................................................................................................................................... Councilmember
Quinn Sperry ........................................................................................................................................ Councilmember

CITY ADMINISTRATION

Kane Loader .............................................................................................................................................. City Manager
Laurie Harvey ........................................................................................................................................ Assistant City Manager
Rori Andreason..................................................................................................................................... City Recorder
Dalil Hackett........................................................................................................................................ City Treasurer
Brandon Smith .................................................................................................................................. City Attorney
Lisa Garner ........................................................................................................................................ City Treasurer
Keith Ludwig................................................................................................................................ City Engineer

TRUSTEE, BOND REGISTRAR, AND PAYING
AGENT

ZB, National Association, dba Zions Bank
One South Main Street, 12th Floor
Salt Lake City, Utah 84133
(801) 844-7517

BOND AND DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
Salt Lake City, Utah 84101
(801) 364-5080

MUNICIPAL ADVISOR

Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700

UNDERWRITER

George K. Baum & Company
15 West South Temple, Suite 1090
Salt Lake City, Utah 84101
(801) 538-0351

* Preliminary; subject to change.
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MIDVALE CITY, UTAH
WATER, SEWER, AND STORM WATER REVENUE BONDS
SERIES 2018

INTRODUCTION

This Official Statement, including the cover page, introduction and appendices provides information regarding (i) the issuance and sale by Midvale City, Utah (the “City”), a political subdivision of the State of Utah, of its $__________* Water, Sewer, and Storm Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”), initially issued in book-entry form only; (ii) the City; and (iii) the sewer system (the “Sewer Facilities”), the water system (the “Water Facilities”), and the storm water system (the “Storm Water Facilities,” and collectively with the Sewer Facilities and the Water Facilities, the “System”) owned and operated by the City. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2018 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in “APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE.”

See also the following appendices attached hereto which are hereby incorporated herein by reference: APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017; APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE; APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY; APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING; APPENDIX E—FORM OF OPINION OF BOND COUNSEL; and APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.

The City

The City was incorporated in 1909 and covers an area of approximately 6 square miles within Salt Lake County, Utah. The City is located approximately 10 miles south of Salt Lake City, Utah, on Interstate 15 in the middle of the Salt Lake Valley. The City had 33,035 residents in 2016 according to the estimate of U.S. Census Bureau. For more information regarding the City and the surrounding area, see “MIDVALE CITY” herein and “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017” and “APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY.”

The System

The System consists of the Water Facilities, the Sewer Facilities, and the Storm Water Facilities. The Water Facilities currently consist of approximately 97 miles of transmission lines, 2 storage tanks which have a collective capacity of 6.5 million gallons, and 5 wells. [As described herein, a portion of the proceeds of the Series 2018 Bonds will be used to acquire certain assets from the Jordan Valley Water Conservancy District and construct related transmission lines. After completion of this project, the Water Facilities will consist of approximately _____ miles of transmission lines.] The Sewer Facilities consist of approximately 45 miles of 8-inch to 27-inch interceptors and collectors, and 3 lift stations. The sewage collected by the Sewer Facilities is treated at the South Valley Water Reclamation Facility, in which the City owns 6.16% of the capacity rights. The Storm Water Facilities consist of a combination of pipes, curb and gutter, and natural features such as canals and culverts. All of the Storm Water Facilities within the City flow by gravity; there are no pumps or pressurized pipes in the Storm Water Facilities.

* Preliminary; subject to change.
Authorization and Purpose of the Series 2018 Bonds

The Series 2018 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”); (ii) a resolution of the City adopted on February 20, 2018 (the “Resolution”); (iii) a General Indenture of Trust dated as of April 1, 2007, as heretofore supplemented (the “General Indenture”), between the City and ZB, National Association, dba Zions Bank, as trustee (the “Trustee”); (iv) an Eighth Supplemental Indenture of Trust dated as of April 1, 2018 (the “Eighth Supplemental Indenture” and together with the General Indenture, the “Indenture”) between the City and the Trustee; and (v) other applicable provisions of law.

The Series 2018 Bonds are being issued for the purpose of (a) financing improvements to the System and (b) paying certain costs associated with the issuance of the Series 2018 Bonds.

Security

The Series 2018 Bonds will be payable from and secured solely by a pledge and assignment of the Net Revenues from the System and moneys on deposit in the funds and accounts (other than the Rebate Fund and the Repair and Replacement Fund) held by the Trustee under the Indenture.

The Revenues of the System will be applied to pay the Operation and Maintenance Expenses of the System before being applied to pay principal of and interest on the Series 2018 Bonds. The Series 2018 Bonds will be special limited obligations of the City, payable solely from the Net Revenues of the System.

The Series 2018 Bonds will not be a general obligation of the City, the State of Utah (the “State”) or any agency, instrumentality or political subdivision thereof. Neither the faith and credit nor the taxing power of the City, the State or any agency, instrumentality or political subdivision thereof will be assigned or pledged for payment of the Series 2018 Bonds. The City will not mortgage or grant a security interest in the System, the Project, or any portion thereof to secure payment of the Series 2018 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” below.

No debt service reserve fund is being funded with respect to the Series 2018 Bonds.


The City may issue Additional Bonds payable on a parity with the Series 2018 Bonds and the Outstanding Parity Bonds upon complying with certain requirements set forth in the Indenture. Such Additional Bonds together with the Series 2018 Bonds and the Outstanding Parity Bonds are sometimes collectively referred to herein as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS—Outstanding Parity Bonds—Additional Bonds” below.

Redemption Provisions

[The Series 2018 Bonds are subject to optional redemption prior to maturity.] See “THE SERIES 2018 BONDS—Redemption” below.
Registration, Denominations, Manner of Payment

The Series 2018 Bonds are issuable only as fully-registered Series 2018 Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository of the Series 2018 Bonds. Purchases of Series 2018 Bonds will be made in book-entry only form, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2018 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2018 Bonds.

So long as Cede & Co. is the registered Owner of the Series 2018 Bonds, as nominee of DTC, references herein and in the Indenture to the bondowners or registered Owners of the Series 2018 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2018 Bonds.

Principal of and interest on the Series 2018 Bonds (interest payable April 1 and October 1 of each year, commencing October 1, 2018) are payable by ZB, National Association, dba Zions Bank, Salt Lake City, Utah, as Paying Agent, to the registered owners of the Series 2018 Bonds, initially Cede & Co., as nominee of DTC. See “THE SERIES 2018 BONDS—Book Entry Only System” below.

Transfer or Exchange

Except as described under “THE SERIES 2018 BONDS—Book-Entry Only System” below, in all cases in which the privilege of exchanging or transferring the Series 2018 Bonds is exercised, the City shall execute, and the Bond Registrar shall authenticate and deliver, the Series 2018 Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of the Series 2018 Bonds, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer of the Series 2018 Bonds, but may impose no other charge therefor.

The Bond Registrar, shall not be required to transfer or exchange any Series 2018 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 Series 2018 Bonds for redemption, to and including the date of such mailing; or (iv) at any time following the mailing of notice calling such Series 2018 Bond for redemption.

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2018 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2018 Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” in this Official Statement. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2018 Bonds.

Conditions of Delivery, Anticipated Date, Manner, and Place of Delivery

The Series 2018 Bonds are offered, subject to prior sale, when, as, and if issued and received by George K. Baum & Company, as underwriter (the “Underwriter”) subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by the City Attorney. Lewis Young Robertson & Burningham, Inc. has served as municipal advisor to the City in connection with the issuance of the Series 2018 Bonds. See “LEGAL MATTERS” below. It is expected that the Series 2018 Bonds in book-entry form will be available for delivery on or about April _____, 2018.
Basic Documentation

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City, the System, the Series 2018 Bonds, and the Indenture are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, and references herein to the Series 2018 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the information with respect thereto included in the aforementioned document, copies of which are available for inspection at the principal office of the Trustee on or after the delivery of the Series 2018 Bonds. During the period of the offering of the Series 2018 Bonds, copies of the form of such document will be available from the “Contact Persons” as indicated below. Also see “APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE” below.

Contact Persons

The chief contact person for the City concerning the Series 2018 Bonds is:

Laurie Harvey
Assistant City Manager
7505 South Holden Street
Midvale, Utah 84047
Telephone: (801) 567-7238
laurie@midvale.com

Additional requests for information may be directed to the City’s Municipal Advisor as follows:

Laura Lewis
Principal
Lewis Young Robertson & Burningham, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
Telephone: (801) 596-0700
laura@lewisyoung.com

THE SERIES 2018 BONDS

General

The Series 2018 Bonds are dated the date of their initial delivery and, except as otherwise provided in the Indenture, shall bear interest from said date. Interest on the Series 2018 Bonds will be payable semiannually on April 1 and October 1 of each year commencing October 1, 2018. Interest on the Series 2018 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2018 Bonds will be issued as fully registered Series 2018 Bonds, initially in book-entry form, in denominations of $5,000 or any integral multiple thereof, not exceeding the amount of each maturity.

The Series 2018 Bonds shall bear interest at the rates and shall mature annually in each of the years as set forth inside the front cover of this Official Statement.

The Series 2018 Bonds are special limited obligations of the City, payable solely from the Net Revenues, moneys, securities, and funds pledged therefor in the Indenture. Neither the credit nor the taxing power of the City, the State or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2018 Bonds. The Series 2018 Bonds are not general obligations of the City or the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2018 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or
political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2018 Bonds.

Interest on the Series 2018 Bonds will be paid on each Interest Payment Date to the registered owner thereof (initially DTC) who is the registered owner at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) next 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 Series 2018 Bonds on such Regular Record Date, and may be paid to 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 days prior to such Special Record Date. The principal of and premium, if any, on the Series 2018 Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee. Interest shall be paid by check or draft mailed on each Interest Payment Date to the registered owner (initially DTC) of each of the Series 2018 Bonds as the name and address of such registered owner appear on the record date in the Register.

Redemption

[Optional Redemption. The Series 2018 Bonds maturing on or prior to October 1, 20___, are not subject to redemption prior to maturity. The Series 2018 Bonds maturing on or after October 1, 20___, are subject to redemption prior to maturity at the option of the City in whole or in part on any Business Day on and after October 1, 20___, at the redemption price of 100% of the principal amount of the Series 2018 Bonds to be redeemed plus accrued interest to the date of redemption (but without premium).]

[Mandatory Sinking Fund Redemption. The Series 2018 Bonds maturing on October 1, 20___ 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:

<table>
<thead>
<tr>
<th>Mandatory Sinking Fund Redemption Date</th>
<th>Mandatory Sinking Fund Redemption Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 1</td>
<td></td>
</tr>
</tbody>
</table>

* Final Maturity Date

Upon redemption of any Series 2018 Bonds maturing on October 1, 20___, 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 2018 Bonds maturing on October 1, 20___, as applicable, in such order of mandatory sinking fund date as shall be directed by the City.]

Notice of Redemption. In the event any of the Series 2018 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2018 Bonds to be redeemed will be given by the Trustee, by mailing a copy of the redemption notice by registered or certified mail not less than 30 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Series 2018 Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Series 2018 Bond with respect to which no such failure has occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. After the notice shall have been given, the City shall deposit with, or otherwise make available to, the Trustee the funds required for the redemption of the Series 2018 Bonds to be redeemed, including accrued interest to the redemption date, at least five days before the date fixed for such redemption. All Series 2018 Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit with the Trustee at that time.
If at the time of mailing of any notice of redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Series 2018 Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business five days prior to the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

Selection for Redemption. If fewer than all the Series 2018 Bonds are to be redeemed, the particular Series 2018 Bonds or portions of Series 2018 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. In case any Series 2018 Bond shall be redeemed in part only, upon the presentation of such Series 2018 Bond for such partial redemption the City 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 City, a Bond or Bonds of the same series, interest rate, and maturity, in aggregate principal amount equal to the unredeemed portion of such Series 2018 Bond. The portion of any Series 2018 Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or an integral multiple thereof and in selecting portions of such Series 2018 Bonds for redemption, each such Series 2018 Bond shall be treated as representing that number of Series 2018 Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Series 2018 Bonds by $5,000.

Book-Entry Only System

The Series 2018 Bonds originally will be issued solely in book-entry form to The Depository Trust Company (“DTC”) or its nominee, Cede & Co., to be held in DTC’s book-entry only system. So long as such Series 2018 Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner or Holder of such Series 2018 Bonds for all purposes of the Indenture, the Series 2018 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series 2018 Bonds may be made in the denominations described above. For a description of the book-entry system for the Series 2018 Bonds, see “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

THE PROJECT

A portion of the proceeds of the Series 2018 Bonds will be used to finance the acquisition and construction of certain improvements to the System, including any or all of (1) a direct connection between the Water Facilities and Jordan Valley Water Conservancy District; (2) improvements to the City’s water meter reading system; (3) improvements to System infrastructure; and (4) upgrades to grit and phosphorous removal equipment at South Valley Water Reclamation Facility, of which City is a partial owner.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2018 Bonds are estimated to be as follows:

Sources of Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Amount of Series 2018 Bonds</td>
<td>$</td>
</tr>
<tr>
<td>[Net Reoffering Premium]</td>
<td></td>
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<tr>
<td>Total Sources</td>
<td>$5,000</td>
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</tbody>
</table>

Uses of Funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Project Fund</td>
<td>$</td>
</tr>
<tr>
<td>Costs of Issuance(1)</td>
<td>$</td>
</tr>
<tr>
<td>Total Uses</td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes underwriter’s discount, legal and Trustee fees and expenses, and other costs incurred in connection with the issuance of the Series 2018 Bonds.
DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements of the Series 2018 Bonds and the Outstanding Parity Bonds.

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
<th>Interest</th>
<th>Total Principal and Interest</th>
<th>Outstanding Parity Bonds(1)</th>
<th>Fiscal Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/01/2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>04/01/2019</td>
<td></td>
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<td></td>
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<tr>
<td>10/01/2019</td>
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<tr>
<td>04/01/2020</td>
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<tr>
<td>10/01/2020</td>
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<tr>
<td>04/01/2021</td>
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<td>10/01/2021</td>
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<td>04/01/2022</td>
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<td>10/01/2022</td>
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<td>04/01/2031</td>
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<td>10/01/2031</td>
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<td>04/01/2032</td>
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<tr>
<td>10/01/2032</td>
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<td></td>
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<tr>
<td><strong>Total</strong></td>
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</tr>
</tbody>
</table>

(1) Includes principal and interest; assumes the refunding of the Refunded Bonds.
* Preliminary; subject to change.

(Source: The Municipal Advisor.)
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Series 2018 Bonds will be payable from and secured solely by a pledge and assignment of the Net Revenues from the System and moneys on deposit in the funds and accounts (other than the Rebate Fund and the Repair and Replacement Fund) held by the Trustee under the Indenture. The Series 2018 Bonds will be special limited obligations of the City, payable solely from the Net Revenues of the System. Neither the credit nor the taxing power of the City or the State or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2018 Bonds. The Series 2018 Bonds are not general obligations of the City, the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2018 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2018 Bonds.

No Debt Service Reserve Fund

No Debt Service Reserve Fund will be funded with respect to the Series 2018 Bonds.

Rate Covenant

The City covenants in the Indenture that while any of the principal and interest payments on the Series 2018 Bonds are outstanding, or any Reserve Instrument Repayment Obligations are outstanding, the rates and fees for all services supplied by the System to the City and to its inhabitants and to all customers of the City with respect to the System within or without the boundaries of the City will be sufficient (i) to pay the System’s Operation and Maintenance Expenses and (ii) to provide for each Bond Fund Year Net Revenues in an amount not less than 125% of the Aggregate Annual Debt Service Requirement for the forthcoming Bond Fund Year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture, or if a Reserve Instrument shall be in effect with respect to any outstanding Bonds, the Reserve Instrument Repayment Obligations which the City anticipates will be due and payable for the forthcoming Bond Fund Year, provided that such rates must be reasonable rates for the type, kind, and character of the services rendered. The City agrees that should its annual financial statement made in accordance with the provisions of the Indenture disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the above requirement, the City shall request that a Qualified Engineer make recommendations as to the revision of the rates, charges and fees and that the City on the basis of such recommendations will revise the schedule of rates, charges and fees insofar as is practicable and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues as required in the Indenture.

Flow of Funds

All Revenues shall be deposited in the Revenue Fund and shall be accounted for by the City separate and apart from all other moneys of the City.

As a first charge and lien on the Revenues, the City shall cause to be paid from the Revenue Fund from time to time as the City 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.

So long as any Bonds are Outstanding, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, i.e., from the Net Revenues, the City shall, at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for and deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized
interest on deposit with the Trustee to pay interest on the Bonds next coming due, the City need not transfer moneys to the Trustee to pay interest on the Bonds); plus

(ii) the Principal and premium, if any, falling due on the next succeeding Interest Payment Date established for the Bonds; plus

(iii) the Sinking Fund Installment, if any, falling due on the next succeeding 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 Interest Payment Date as the same become due and payable.

As a third charge and lien on the Net Revenues (on a parity basis), the City 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 account(s) 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 moneys 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, moneys 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 (ii) below) of remaining Net Revenues if less than the full amount necessary; and

(ii) Equally and ratably to the account(s) of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect, such amount or a ratable portion (based on the amount to be transferred pursuant to (i) above) if less than the full amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one Year from any draw date under the Reserve Instrument.

As a fourth charge and lien on the Net Revenues, the City 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 from time to time, the City shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues of the System after payments required above have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. This provision is not intended to limit, and shall not limit, the right of the City to deposit additional moneys in the Repair and Replacement Fund from time to time as the City may determine.

The Net Revenues remaining after the foregoing deposits and transfers and not required to be used for remedying any deficiencies in payments previously made into the funds established in the Indenture, may be used at any time for any of the following:

(i) redemption of Bonds;

(ii) refinancing, refunding, or advance refunding of any Bonds;

(iii) deposit to the Rate Stabilization Fund; or

(iv) any other lawful purpose.
Outstanding Parity Bonds

The City issued the Outstanding Parity Bonds to finance improvements to the System. As of February 1, 2018, the Outstanding Parity Bonds are outstanding in the aggregate principal amount of $19,031,000. The Outstanding Parity Bonds were issued pursuant to the terms of the General Indenture and are secured by Net Revenues on a parity with the Series 2018 Bonds.

Additional Bonds

No additional indebtedness, Bonds or notes of the City payable on a priority to the pledge of Net Revenues for the payment of the Series 2018 Bonds and the Outstanding Parity Bonds shall be created or incurred without the prior written consent of the owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, Bonds or notes of the City payable on a parity with the Series 2018 Bonds and the Outstanding Parity Bonds out of Net Revenues shall be created or incurred, unless the requirements of the Indenture have been satisfied. See “APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE—The Bonds” for a list of the various requirements that need to be satisfied. The City currently has no plans to issue Additional Bonds within the next three years, but reserves the right to do so as its capital and debt structuring needs require.

MIDVALE CITY

General

The City was incorporated in 1909 and covers an area of approximately six square miles within Salt Lake County, Utah (the “County”). The City is located approximately 10 miles south of Salt Lake City, Utah, on Interstate 15 in the middle of the Salt Lake Valley. The U.S. Census Bureau estimated the City’s 2016 population to be 33,035. Persons living in the City have the advantages of living within the greater Salt Lake City metropolitan area with the concomitant industrial, commercial, educational, professional and cultural opportunities of a regional metropolitan center.

Form of Government

Utah statutes detail the functions to be performed by Utah municipalities. The City is organized under general law and governed by a mayor and five councilmembers elected for staggered four-year terms. The mayor presides over all meetings but casts no vote in the council except in the event of a tie.

Department heads are full-time employees of the City and responsible for day-to-day operations within the policy framework of the governing body. They report to the mayor and council or their designee, currently the City Manager.
Current members serving as Mayor, City Council and officers of the City and their respective years of service in their current position are as follows:

<table>
<thead>
<tr>
<th>Office</th>
<th>Person</th>
<th>Years in Service</th>
<th>Expiration of Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor</td>
<td>Robert M. Hale</td>
<td>*</td>
<td>January 2022</td>
</tr>
<tr>
<td>Councilmember</td>
<td>Bryant Brown</td>
<td>*</td>
<td>January 2022</td>
</tr>
<tr>
<td>Councilmember</td>
<td>Paul Hunt</td>
<td>6</td>
<td>January 2020</td>
</tr>
<tr>
<td>Councilmember</td>
<td>Paul Glover</td>
<td>14</td>
<td>January 2020</td>
</tr>
<tr>
<td>Councilmember</td>
<td>Quinn Sperry</td>
<td>3</td>
<td>January 2020</td>
</tr>
<tr>
<td>Councilmember</td>
<td>Dustin Gettel</td>
<td>*</td>
<td>January 2022</td>
</tr>
<tr>
<td>City Manager</td>
<td>Kane Loader</td>
<td>28</td>
<td>Appointed</td>
</tr>
<tr>
<td>Assistant City Manager</td>
<td>Laurie Harvey</td>
<td>19</td>
<td>Appointed</td>
</tr>
<tr>
<td>Assistant Finance Director</td>
<td>Dalin Hackett</td>
<td>8</td>
<td>Appointed</td>
</tr>
<tr>
<td>Treasurer</td>
<td>Brandon Smith</td>
<td>1</td>
<td>Appointed</td>
</tr>
<tr>
<td>City Attorney</td>
<td>Lisa Garner</td>
<td>2</td>
<td>Appointed</td>
</tr>
<tr>
<td>City Recorder</td>
<td>Rori Andreason</td>
<td>14</td>
<td>Appointed</td>
</tr>
<tr>
<td>City Engineer</td>
<td>Keith Ludwig</td>
<td></td>
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</tr>
</tbody>
</table>

* Serving first term in office which began January 2018.

The principal powers and duties of Utah municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and construct and maintain streets, sidewalks, waterworks, and sewers. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

The City provides the following services: police protection, planning and engineering, code enforcement, street maintenance, traffic control, parks operation and maintenance, trails and recreation services, community development, general administrative services, storm water utility, water and sewer, emergency medical services and solid waste services. Fire service for the City is provided by Unified Fire Service Area, a separate taxing entity.

**Employee Workforce and Retirement System**

The City employs approximately 71 full-time and 5 part-time employees. The City is a member of the Utah State Retirement Systems and participates in a deferred compensation plan. See “APPENDIX A— MIDVALE CITY, UTAH AUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017—Notes to the Financial Statements—Note 4: Detailed Notes for All Funds, Employee Retirement Systems and Pension Plans” herein.

The City records a liability and expense equal to its proportionate share of the collective net pension liability and expense of the Systems due to the implementation of the Government Accounting Standards Board’s Statement 68, Accounting and Financial Reporting for Pensions (“GASB 68”). More information regarding this standard can be found in Note 10, “Retirement Plan,” of the City’s audited financial statements. See “APPENDIX A— AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017.”

**Other Post-Employment Benefits**

The City has conducted an investigation and has determined that it currently does not have any post-employment benefit liabilities.

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The City is a member agency in the Utah Local Government Insurance Trust (the “Trust”), a public entity risk pool to manage its risk of loss. The City pays an annual premium to the Trust
for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $750,000 for each insured event. As of June 30, 2017, there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2017, which exceeded its insurance coverage. See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017—Notes to the Financial Statements. 4. Detailed Notes for All Funds, Risk Management” herein.

Investment of Funds

**Investment of Operating Funds.** The Utah Money Management Act. The Utah Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended (the “Money Management Act”), governs the investment of all public funds held by public treasurers in the State of Utah (the “State”). It establishes criteria for investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The Money Management Act provides a limited list of approved investments including qualified in-state and permitted out-of-state financial institutions, approved government agency securities and investments in corporate securities carrying “top credit ratings.” The Money Management Act also provides for pre-qualification of broker dealers by requiring that broker dealers agree in writing to comply with the Money Management Act and certify that they have read and understand the Money Management Act. The Money Management Act establishes the Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The law requires all securities to be delivered versus payment to the public treasurer’s safekeeping bank. It requires diversification of investments, especially in securities of corporate issuers. Not more than 5% of the portfolio may be invested with any one issuer. Investments in mortgage pools and mortgage derivatives or any security making unscheduled periodic principal payments are prohibited. The Money Management Act also defines the State’s prudent investor rules. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all of the provisions of the MM Act for all City operating funds. Approximately 50% of City funds are invested in the Utah Public Treasurers’ Investment Fund (“PTIF”), as discussed below. Approximately 47% is invested with Moreton Asset Management, LLC, an SEC registered investment advisor listed as a certified investment advisor by the Utah Money Management Council dated December 31, 2016. The remaining funds are held by a trustee in a money market mutual fund and in an overnight international sweep account.

The **Utah Public Treasurers’ Investment Fund.** The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. The PTIF invests to ensure safety of principal, liquidity and a competitive rate of return. All moneys transferred to the PTIF are promptly invested in securities authorized by the MM Act. Safekeeping and audit controls for all investments owned by the PTIF must comply with the MM Act.

All investments in the PTIF must comply with the MM Act and rules of the MM Council. The PTIF invests only in securities authorized by the MM Act including time certificates of deposit, top-rated commercial paper and corporate notes, treasuries and certain agencies of the U.S. Government. The maximum weighted average adjusted life of the portfolio, by policy, is not to exceed 90 days. The maximum final maturity of any security purchased by the PTIF is limited to three years, except that a maximum maturity of five years is allowed for treasury or agency securities whose rate adjusts at least annually.

By law, investment transactions are conducted only through certified dealers, qualified depositories or directly with issuers of the securities. All securities purchased are delivered via payment to the custody of the State Treasurer or the State Treasurer’s safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the U.S. Government. These short-term securities must be rated “first tier” (“A1,” “P1,” for short-term investments and “A” or better for long-term investments) by two nationally recognized statistical rating organizations, one of which must be Moody’s or S&P. These securities
represent limited risks to governmental institutions investing with the PTIF. Variable rate securities in the PTIF must have an index or rate formula that has a correlation of at least 94% of the effective Federal Funds rate.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the MM Council and is audited by the State Auditor. The PTIF itself is not rated.

Moreton Asset Management, LLC. Moreton Asset Management is an SEC registered investment advisory firm and also appears on the certified investment advisor list by the MM Council. Some employees of Moreton Asset Management, LLC are also registered representatives of Moreton Capital Markets, LLC; a broker/dealer affiliate of Moreton Asset Management. Moreton Capital Markets, LLC appears on the certified dealer list of the MM Council.

As with the PTIF, all investments managed by Moreton Asset Management must comply with the MM Act and rules of the MM Council. Securities in the City’s portfolio are registered in the name of the City, are held by a third-party custodian, and include corporate bonds, U.S. government bonds, and Agency bonds. The maximum final maturity of any security purchased does not exceed five years. Securities purchased are coordinated to mature with ongoing cash expenditures of the city. Nationally recognized credit rating agencies have ratings issued on the investments that range from AA+ to BBB+.

See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017—Notes to the Financial Statements—4. Detailed Notes for All Funds, Cash and Investments.”

THE SYSTEM

General

The System consists of the Water Facilities, the Sewer Facilities, and the Storm Water Facilities. The System is owned and operated by the City. The Water Facilities, the Sewer Facilities, and the Storm Water Facilities are considered one “System” under the Indenture.

The Water Facilities currently provide water service to approximately 29,100 residents, and the Sewer Facilities provide sewer service to approximately 11,200 residents. [Upon completion of the project, the Water Facilities will provide service to approximately 500 additional customers.] [Due in large part to annexations, the City’s boundaries expanded to include areas that were being provided water and sewer services by other governmental entities and some of those entities continue to provide those services to those areas. Jordan Valley Water Conservancy District (JVWCD) and Salt Lake City provide water service to approximately 2,500 and 1,000 City residents, respectively. In addition, Midvalley Improvement District, Cottonwood Improvement District and Sandy Suburban Improvement District provide sewer service to approximately 14,500, 4,400, and 2,500 City residents, respectively.] [Confirm/Update]

The City anticipates that the System will continue to expand in the future to include an area known as “Jordan Bluffs.” The City expects that completion of this development will add commercial and retail development, as well as 2,100 residents that will be serviced by the System. However, the City cannot predict with certainty when and if such development will occur.

The Water Facilities

General. The Water Facilities are comprised of approximately 97 miles of transmission lines, two water storage tanks that have an aggregate capacity of 6.5 million gallons, and five wells. [As described herein, a portion of the proceeds of the Series 2018 Bonds will be used to acquire certain assets from the JVWCD and construct related transmission lines. After completion of this project, the Water Facilities will consist of approximately _____ miles of transmission lines.] The age of the distribution system varies from one year to approximately 50 years. On the average, the Water Facilities are approximately 30 years old and have a useful life of approximately 50 years. The Water Facilities are comprised of three pressure zones. The City presently purchases approximately 40% of its water
and produces the remaining 60% from wells that the City owns. The City pumps the water to the various pressure zones and the water storage tanks serving the zones.

Sources and Supplies of Water. The City currently receives approximately 4% of its water from the JVWCD pursuant to a Water Purchase Agreement, as amended (the “Jordan Valley Water Purchase Agreement”), between the City and JVWCD. Pursuant to the Water Purchase Agreement, JVWCD agrees to sell and deliver and the City agrees to buy 150 acre-feet of water annually. [After completion of the project, the City will terminate its agreement with JVWCD.]

The City has the right to purchase more water than the volume amounts set forth above. However, the City cannot increase its annual demand above the allocated amount by more than twenty percent of the City’s allocation annually, without first receiving express consent from JVWCD. The City currently pays an off-peak rate of $333.59 and a peak rate of $416.99 per acre foot for all water delivered to the City. The peak period is May 1 through October 31. Such per acre-foot rates are subject to annual or periodic review and readjustment by JVWCD. In addition, the City must pay a flat meter fee of $30/1000 gpm of meter capacity per month for each wholesale meter actively serving the City, regardless of the amount of water delivered to the City. The current flat charges, based upon current meter sizes, total $282 per month. All amounts are billed monthly and are due within 30 days.

The Jordan Valley Water Conservancy District is primarily a wholesale provider of water to ten cities (including the City), two water companies, five improvement districts, two additional wholesale users, and the Jordan Valley Water District contracts with four other agencies not within the Jordan Valley Water District’s service boundaries. The Jordan Valley Water District obtains its water from a variety of sources. The Jordan Valley Water District has firm contracts with several irrigation companies holding water rights in southeast Salt Lake County, purchases water from the Central Utah Water Conservancy District, purchases surplus water from Metropolitan Water District of Salt Lake and Sandy, and pumps its own wells and springs.

The City receives approximately 42% of its water from Sandy City pursuant to an agreement dated March 17, 2009, between the City and Sandy City. Pursuant to the agreement, Sandy agrees to sell and deliver and the City agrees to annually buy up to 2,000 acre-feet of water. The rate is $100 per acre foot over the cost Sandy pays to the Metropolitan Water District of Salt Lake and Sandy. This is not a take-or-pay agreement. The agreement expires June 30, 2019. The City currently pays $388 per acre foot for all water delivered to the City.

Sandy City purchases its water from Metropolitan Water District of Salt Lake and Sandy (MWDSLS). MWDSLS primarily provides wholesale water to Salt Lake City (72% of total water sold) and Sandy City (24% of total water sold). MWDSLS also sells some finished water and irrigation water to other entities. Its water sources include Little Cottonwood Creek, Bell Canyon Creek, Ontario Drain Tunnel, Provo River Project, and Central Utah Project.

Both JVWCD and Sandy City have always met the water demands of the City and neither has failed to deliver water when requested. The quality of water delivered by the JVWCD and Sandy City, as well as the water produced by the City is monitored by the State Health Department through periodic sampling and meets all state and federal water quality standards.

The following table sets forth the amount of water purchased from the Water Districts and the rates and charges paid to the Water Districts for the years shown:
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Water Purchased (af)</th>
<th>Cost of Purchased Summer/Winter Water ($/af)</th>
<th>Water Purchased (af)</th>
<th>Cost of Purchased Summer/Winter Water ($/af)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>150</td>
<td>$367.51/294.00</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2008-2009</td>
<td>150</td>
<td>$351.64/281.31</td>
<td>190.7</td>
<td>$300/n/a</td>
</tr>
<tr>
<td>2009-2010</td>
<td>150</td>
<td>$351.64/281.31</td>
<td>1,883.9</td>
<td>$413/213</td>
</tr>
<tr>
<td>2010-2011</td>
<td>150</td>
<td>$351.64/273.79</td>
<td>2,041.3</td>
<td>$422/216</td>
</tr>
<tr>
<td>2011-2012</td>
<td>150</td>
<td>$360.76/288.61</td>
<td>2,172.8</td>
<td>$432/220</td>
</tr>
<tr>
<td>2012-2013</td>
<td>150</td>
<td>$360.76/288.61</td>
<td>2,177.2</td>
<td>$442/223</td>
</tr>
<tr>
<td>2013-2014</td>
<td>150</td>
<td>$380.48/304.38</td>
<td>1,967.1</td>
<td>$332/332</td>
</tr>
<tr>
<td>2014-2015</td>
<td>150</td>
<td>$412.08/329.66</td>
<td>1,915.7</td>
<td>$360/360</td>
</tr>
<tr>
<td>2015-2016</td>
<td>150</td>
<td>$420.30/336.24</td>
<td>1,972.3</td>
<td>$388/388</td>
</tr>
<tr>
<td>2016-2017</td>
<td>85</td>
<td>$416.99/333.59</td>
<td>1,904.2</td>
<td>$388/388</td>
</tr>
</tbody>
</table>

[Note: Beginning in fiscal year, the City will terminate its agreement to purchase water from JVWCD.]
(Source: The City)

The City also owns its own wells which produce approximately 54% of the water supply for the Water Facilities. The acquisition and development of these wells was financed in part with the proceeds of bonds previously issued by the City. The City’s wells are described below:

**Hancock Well.** This well is located at 950 East 8800 South in Sandy, Utah. The well produces approximately 2.23 cubic feet per second (“cfs”).

**Million Gallon Reservoir Well.** This well is located at 950 East 8800 South in Sandy, Utah. The well produces approximately 4.68 cfs.

**Oak Street Well.** This well is located at 7967 South Oak Street in Midvale. The well produces approximately 2.23 cfs.

**Union Ft. (Phillips) Well.** This well is located at 7360 South 1000 E. in Midvale. This well produces approximately 1.158 cfs.

**Prowswood Well.** This well is located at 755 East 6875 South in Midvale. This well produces approximately 1.448 cfs.

**Water Rights, Licenses, Permits, Approvals and Environmental Considerations.** The City has obtained all necessary state and local licenses, permits and approvals to operate the Water Facilities.

**Environmental Matters.** The City reports that the Water Facilities are currently in compliance with the provisions of all environmental laws and regulations applicable to its operations, including, but not limited to, the Safe Drinking Water Act of 1986 and the Utah Safe Drinking Water Act and laws and regulations applicable to disposal of solid and hazardous waste. The Water Facilities also are in compliance with all environmental, health and safety laws and regulations applicable to the use and disposal of chemicals used by the Water Facilities to make water drinkable. [The federal government has recently required monitoring of certain non-regulated contaminants in anticipation of creating, at some future date, new regulations.] At this time such regulations are not in final form and complete effects on the Water Facilities remain uncertain. Nonetheless, the City does not anticipate any material impact on the Water Facilities from the proposed regulations.
Water Connections. The following table shows the number of water connections for the years shown:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Residential</th>
<th>Commercial/Industrial</th>
<th>Water Connections</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2,667</td>
<td>647</td>
<td>3,314</td>
<td>N/A</td>
</tr>
<tr>
<td>2009</td>
<td>2,660</td>
<td>647</td>
<td>3,307</td>
<td>-0.2%</td>
</tr>
<tr>
<td>2010(1)</td>
<td>5,498</td>
<td>938</td>
<td>6,436</td>
<td>94.6</td>
</tr>
<tr>
<td>2011</td>
<td>5,567</td>
<td>1,012</td>
<td>6,579</td>
<td>0.9</td>
</tr>
<tr>
<td>2012</td>
<td>5,618</td>
<td>1,079</td>
<td>6,697</td>
<td>1.8</td>
</tr>
<tr>
<td>2013</td>
<td>5,705</td>
<td>1,086</td>
<td>6,791</td>
<td>1.4</td>
</tr>
<tr>
<td>2014</td>
<td>5,885</td>
<td>1,180</td>
<td>7,065</td>
<td>4.0</td>
</tr>
<tr>
<td>2015</td>
<td>5,995</td>
<td>1,147</td>
<td>7,142</td>
<td>1.1</td>
</tr>
<tr>
<td>2016</td>
<td>6,056</td>
<td>1,225</td>
<td>7,281</td>
<td>1.9</td>
</tr>
<tr>
<td>2017</td>
<td>6,075</td>
<td>1,300</td>
<td>7,375</td>
<td>1.0</td>
</tr>
</tbody>
</table>

(1) Most of the increase from 2009 to 2010 is a result of the addition of 3,100 customers to the System pursuant to an agreement with Sandy City.
(Source: The City.)

Water Usage. The following tables set forth the water usage by amounts consumed and billed of the City for the years shown:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Water Consumed (a/f)</th>
<th>Water Billed (a/f)</th>
<th>Percentage Billed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3,265</td>
<td>2,515</td>
<td>77.0%</td>
</tr>
<tr>
<td>2010</td>
<td>5,306</td>
<td>4,359</td>
<td>82.2</td>
</tr>
<tr>
<td>2011</td>
<td>4,782</td>
<td>4,631</td>
<td>96.8</td>
</tr>
<tr>
<td>2012</td>
<td>5,187</td>
<td>4,957</td>
<td>95.6</td>
</tr>
<tr>
<td>2013</td>
<td>5,595</td>
<td>4,968</td>
<td>88.8</td>
</tr>
<tr>
<td>2014</td>
<td>5,205</td>
<td>4,384</td>
<td>84.2</td>
</tr>
<tr>
<td>2015</td>
<td>5,307</td>
<td>4,559</td>
<td>85.9</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Major Water Users. The major users of the Water Facilities for the year 2017 are set forth on the following table:

<table>
<thead>
<tr>
<th>Name of User</th>
<th>Revenues</th>
<th>% of Total Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch Advantage Group</td>
<td>$61,444</td>
<td>1.4%</td>
</tr>
<tr>
<td>Remington Holdings (apartments)</td>
<td>38,555</td>
<td>0.9</td>
</tr>
<tr>
<td>Candlestick Lane Apartments</td>
<td>36,350</td>
<td>0.8</td>
</tr>
<tr>
<td>FIC Brighton LLC (apartments)</td>
<td>35,421</td>
<td>0.8</td>
</tr>
<tr>
<td>Wasatch Club (apartments)</td>
<td>32,616</td>
<td>0.8</td>
</tr>
<tr>
<td>Excel Fort Union LLC</td>
<td>31,481</td>
<td>0.7</td>
</tr>
<tr>
<td>Canyons School District (Midvale Middle School)</td>
<td>28,249</td>
<td>0.7</td>
</tr>
<tr>
<td>River Meadows, LLC (apartments)</td>
<td>26,762</td>
<td>0.6</td>
</tr>
<tr>
<td>Rocket Express LLC</td>
<td>26,753</td>
<td>0.6</td>
</tr>
<tr>
<td>Salt Lake County</td>
<td>25,434</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$343,065</strong></td>
<td><strong>7.9%</strong></td>
</tr>
</tbody>
</table>

(Source: The City.)
Water Rates. The City has differing rates for its three service areas. Service Area 1 is the original pre-annexation City boundaries, roughly State Street to 700 West. Service Area 2 is the western area of the City, formerly undeveloped sites (Jordan Bluffs and Bingham Junction). Service Area 3 is the eastern area of the City, served by Sandy City until June of 2009. Service Areas 1&2 use water produced by City wells and purchased from JVWCD. Service Area 3 uses water purchased from Sandy City.

Prior to fiscal year 2017, the base rate included 4,000 gallons of water per month. Beginning with fiscal year 2017, the inclusion of 4,000 gallons was eliminated. Customers are now billed a base fee for a connection, and are charged for any and all water consumed.

<table>
<thead>
<tr>
<th>Base rate by meter size</th>
<th>AREA #1</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$15.73</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$22.02</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>$28.31</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$45.60</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$172.98</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$220.15</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$330.21</td>
</tr>
</tbody>
</table>

Usage fee per 1,000 gallons

Peak (June-September) $1.58 (Not Subject to Circuit Breaker)
Off-peak (October - May) $1.10 (Not Subject to Circuit Breaker)

<table>
<thead>
<tr>
<th>Base rate by Meter size:</th>
<th>AREA #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$20.05</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$28.07</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>$36.09</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$58.15</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$220.57</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$280.72</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$421.07</td>
</tr>
</tbody>
</table>

Usage fee per 1,000 gallons

Peak (June-September) $1.75 (Not Subject to Circuit Breaker)
Off-peak (October - May) $1.21 (Not Subject to Circuit Breaker)

<table>
<thead>
<tr>
<th>Base rate by Meter size:</th>
<th>AREA #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>$22.81</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$31.93</td>
</tr>
<tr>
<td>1.5&quot;</td>
<td>$41.05</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$66.13</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$250.83</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$319.23</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$478.86</td>
</tr>
</tbody>
</table>

Usage fee per 1,000 gallons

Peak (June-September) $1.87 (Not Subject to Circuit Breaker)
Off-peak (October - May) $1.29 (Not Subject to Circuit Breaker)

Notes: A lifeline discount of 45% is available to customers on the base fee if they qualify for the Salt Lake County Circuit Breaker property tax relief (referred to above as “Circuit Breaker”). Fireline service is an additional $10.15 per month.
The following chart lists the comparable monthly water bills for summer months in 2016 for various local governmental entities within Salt Lake County: [2017 update to come]

### Comparable Water Bills

<table>
<thead>
<tr>
<th>City/Area</th>
<th>Monthly Bill (Summer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bluffdale</td>
<td>$72.50</td>
</tr>
<tr>
<td>Draper</td>
<td>129.30</td>
</tr>
<tr>
<td>Herriman</td>
<td>98.17</td>
</tr>
<tr>
<td>Midvale Area #1</td>
<td>59.73</td>
</tr>
<tr>
<td>Midvale Area #2</td>
<td>68.97</td>
</tr>
<tr>
<td>Midvale Area #3</td>
<td>80.08</td>
</tr>
<tr>
<td>Murray</td>
<td>58.41</td>
</tr>
<tr>
<td>Riverton</td>
<td>89.32</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>80.94</td>
</tr>
<tr>
<td>Salt Lake County</td>
<td>92.14</td>
</tr>
<tr>
<td>Sandy</td>
<td>80.94</td>
</tr>
<tr>
<td>South Jordan</td>
<td>88.55</td>
</tr>
<tr>
<td>South Salt Lake</td>
<td>75.25</td>
</tr>
<tr>
<td>West Jordan</td>
<td>61.77</td>
</tr>
<tr>
<td><strong>Average of other cities/areas</strong></td>
<td><strong>$84.30</strong></td>
</tr>
</tbody>
</table>

(Source: The City.)

**Construction Water Use.** A meter will be supplied by the City for construction purposes upon receipt of a meter deposit (currently $1,100). The water user will be charged at the rate of $2.50 per thousand gallons of metered water taken through a fire hydrant. There is a $50 minimum charge. No fire department will be charged for water taken in furtherance of efforts to protect persons or property or to otherwise carry out normal operations of the fire department.

The City also charges connection and hookup fees for connecting to the Water Facilities. The connection fee can only be used to pay for costs created by new growth. The connection fee cannot be higher than the fee justified by a connection fee analysis. The following table shows the range of fees for single family residences charged by the City for the current year.

<table>
<thead>
<tr>
<th>Type</th>
<th>Fee</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾”</td>
<td>$1,660</td>
<td>City Installed</td>
</tr>
<tr>
<td>1”</td>
<td>1,970</td>
<td>City Installed</td>
</tr>
<tr>
<td>1 ½” &amp; up</td>
<td>180</td>
<td>Inspection Fee</td>
</tr>
<tr>
<td>Fire Service</td>
<td>250</td>
<td>Inspection Fee</td>
</tr>
</tbody>
</table>

(Source: The City)

**The Sewer Facilities**

**General.** The Sewer Facilities presently consist of approximately 45 miles of 8-inch to 27-inch interceptors and collectors. All of the City’s wastewater is treated by the South Valley Water Reclamation Facility (SVWRF). The City currently owns 6.16% capacity rights in the SVWRF, or 3.08 MGD. SVWRF has the capacity to treat flows up to 50 million gallons per day (“MGD”). The South Valley Facility is currently operating at 38% of its rated capacity.

**South Valley Water Reclamation Facility.** The City has entered into an interlocal agreement (the “Interlocal Agreement”) with four other local governmental entities in order to form an entity known as the South Valley Water Reclamation Facility (SVWRF). SVWRF was formed for the purpose of constructing, operating and maintaining a regional sewage treatment facility. Each of the entities that is a party to the Interlocal Agreement has capacity rights in the SVWRF. Currently, the City has 6.16% of the facility’s capacity rights, or 3.08 MGD. All operating and capital...
expenditures of SVWRF are billed to each of the entities based upon the entities utilization. Such payments to the South Valley Facility are operational expenses of the individual entity. The Interlocal Agreement has a term of 50 years from the date of last amendment, with the latest amendment occurring March 2014.

Service Connections. The following table sets forth the actual number of service connections and flows to the Sewer Facilities for the years shown:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Residential</th>
<th>Commercial/Industrial</th>
<th>Total Connections</th>
<th>Percent Change from Prior Year</th>
<th>Peak Daily Flows (MGD)</th>
<th>Average Daily Flows (MGD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,877</td>
<td>489</td>
<td>2,366</td>
<td>0.8</td>
<td>1.26</td>
<td>0.85</td>
</tr>
<tr>
<td>2009</td>
<td>1,927</td>
<td>486</td>
<td>2,413</td>
<td>2.0</td>
<td>1.13</td>
<td>0.79</td>
</tr>
<tr>
<td>2010</td>
<td>1,937</td>
<td>525</td>
<td>2,462</td>
<td>2.0</td>
<td>1.11</td>
<td>0.75</td>
</tr>
<tr>
<td>2011</td>
<td>1,957</td>
<td>542</td>
<td>2,499</td>
<td>1.5</td>
<td>1.12</td>
<td>0.77</td>
</tr>
<tr>
<td>2012</td>
<td>2,027</td>
<td>563</td>
<td>2,590</td>
<td>3.6</td>
<td>1.12</td>
<td>0.74</td>
</tr>
<tr>
<td>2013</td>
<td>2,099</td>
<td>579</td>
<td>2,678</td>
<td>4.1</td>
<td>1.01</td>
<td>0.70</td>
</tr>
<tr>
<td>2014</td>
<td>2,027</td>
<td>492</td>
<td>2,789</td>
<td>4.1</td>
<td>1.34</td>
<td>0.91</td>
</tr>
<tr>
<td>2015</td>
<td>2,307</td>
<td>559</td>
<td>2,866</td>
<td>2.8</td>
<td>1.10</td>
<td>0.96</td>
</tr>
<tr>
<td>2016</td>
<td>2,348</td>
<td>591</td>
<td>2,939</td>
<td>1.0</td>
<td>1.09</td>
<td>0.95</td>
</tr>
<tr>
<td>2017</td>
<td>2,362</td>
<td>604</td>
<td>2,966</td>
<td>1.0</td>
<td>1.09</td>
<td>0.95</td>
</tr>
</tbody>
</table>

(Source: The City.)

Major Users of the Sewer Facilities. The following table sets forth the largest users of the Sewer Facilities and the approximate revenues derived by the City from sewer services to those users for the fiscal year 2017:

<table>
<thead>
<tr>
<th>Name of User</th>
<th>Revenues</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wasatch Advantage Group (apartments)</td>
<td>$135,126</td>
<td>7.1%</td>
</tr>
<tr>
<td>River Meadows (apartments)</td>
<td>65,684</td>
<td>3.5</td>
</tr>
<tr>
<td>Talavera at the Junction (apartments)</td>
<td>39,378</td>
<td>2.1</td>
</tr>
<tr>
<td>Motel 6</td>
<td>31,519</td>
<td>1.7</td>
</tr>
<tr>
<td>Calaveras Apartments</td>
<td>30,229</td>
<td>1.6</td>
</tr>
<tr>
<td>Cascade at Riverwalk</td>
<td>29,632</td>
<td>1.6</td>
</tr>
<tr>
<td>Chelsea Park (apartments)</td>
<td>28,205</td>
<td>1.5</td>
</tr>
<tr>
<td>La Quinta Inns</td>
<td>28,166</td>
<td>1.5</td>
</tr>
<tr>
<td>Lodge-Pro's View (apartments)</td>
<td>22,395</td>
<td>1.2</td>
</tr>
<tr>
<td>Midvale Lodging LLC (apartments)</td>
<td>21,176</td>
<td>1.1</td>
</tr>
<tr>
<td></td>
<td>$431,510</td>
<td>22.9%</td>
</tr>
</tbody>
</table>

(Source: The City.)

Sewer Facilities Rates and Charges. Residential, commercial and industrial customers pay a base rate plus a usage fee per 1,000 gallons of average winter water usage. A summary of the sewer rates is shown below.

<table>
<thead>
<tr>
<th>Rate/Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Dwelling</td>
</tr>
<tr>
<td>Base fee</td>
</tr>
<tr>
<td>Usage fee per 1,000 gallons of average winter water usage</td>
</tr>
<tr>
<td>Multi Dwelling</td>
</tr>
<tr>
<td>Base fee – First Unit</td>
</tr>
<tr>
<td>Additional Unit (Each)</td>
</tr>
<tr>
<td>Usage fee per 1,000 gallons of average winter water usage</td>
</tr>
</tbody>
</table>
Current sewer connection fees for sewer service are as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>4” Connection</td>
<td></td>
</tr>
<tr>
<td>First Unit</td>
<td>$500</td>
</tr>
<tr>
<td>Second Unit</td>
<td>200</td>
</tr>
<tr>
<td>6” Connection</td>
<td></td>
</tr>
<tr>
<td>First Unit</td>
<td>700</td>
</tr>
<tr>
<td>Second Unit</td>
<td>200</td>
</tr>
</tbody>
</table>

[Sewer Rate Comparison. The following chart lists the comparable average monthly sewer bills for 2017 for various local governmental entities within Salt Lake County:]

<table>
<thead>
<tr>
<th>Comparable Sewer Bills</th>
</tr>
</thead>
<tbody>
<tr>
<td>City/Area</td>
</tr>
</tbody>
</table>

(Source: The City.)

Required Permits. A Utah Pollution Discharge Elimination System Permit (the “UPDES Permit”) is required in order to operate the SVWRF. While the SVWRF permit expired in February of 2015, SVWRF is waiting on the state for issuance of a new permit. The State’s Division of Water Quality is still finalizing compliance requirements for all sewer treatment facilities in Utah. SVWRF is generally aware of what those requirements are and is currently in compliance.

The Storm Water Facilities

Description. The Storm Water Facilities consists of approximately 64 miles of piped and open channels. Of those 64 miles, approximately 30% of storm water is conveyed through open channels that are shared with irrigation water for a period of five to six months each year. System pipe sizes range from 12” to 54” in diameter, with the majority of the piping averaging 24” in diameter. The Storm Water Facilities include four detention areas, one of which is a multi-use facility with turf grass that can be used by the public for recreation. All storm water is conveyed by gravity through the Storm Water Facilities to the receiving waters, which include the East Jordan Canal, Salt Lake and Jordan Canals, Little Cottonwood Creek, and the Jordan River, which is down-gradient and runs along the entire west boundary of the City.

Rates. The City currently imposes a rate of $8 per residence (ERU = 3,000 square feet) for services provided by the Storm Water Facilities. Commercial properties are calculated based on the amount of impervious surface area divided by 3,000 resulting in the number of ERUs it is assessed.

Historical Storm Water Facilities Rates. The following table sets forth the rates for the Storm Water Facilities for the years shown. Rates are based on an Equivalent Residential Unit (“ERU”) basis. An ERU is equal to 3,000 square feet of impervious surface area. This is based on an average single family residential parcel, which has an impervious surface of 3,000 square feet.
Fiscal Year | Rate  
---|---  
2017 | $8.00  
2016 | $7.62  
2015 | $7.62  
2014 | $5.08  
2013 | $4.06  
2012 | $3.25  
2011 | $3.25  
2010 | $3.25  
2009 | $3.25  
2008 | $3.25  
2007 | $3.25

(Source: The City.)

**Storm Water Rate Comparison.** The following table sets forth a comparison of storm water rates in 2016 for the City and certain other State municipalities. [2017 update to come]

**Monthly Storm Water Rate Comparison**

<table>
<thead>
<tr>
<th>City</th>
<th>Charge per ERU</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Jordan</td>
<td>$8.50</td>
</tr>
<tr>
<td>Draper</td>
<td>8.00</td>
</tr>
<tr>
<td>Midvale</td>
<td>8.00</td>
</tr>
<tr>
<td>South Jordan - KMS Development</td>
<td>6.50</td>
</tr>
<tr>
<td>Sandy</td>
<td>6.00</td>
</tr>
<tr>
<td>Riverton</td>
<td>6.00</td>
</tr>
<tr>
<td>Murray</td>
<td>4.05</td>
</tr>
<tr>
<td>West Jordan</td>
<td>4.02</td>
</tr>
<tr>
<td>West Valley City</td>
<td>4.00</td>
</tr>
</tbody>
</table>

(1) Amounts are per residence and do not include commercial buildings.

(Source: The City.)

**Largest Payers.** The following table sets forth the largest payers of the fees charged for the services provided by the Storm Water Facilities for the fiscal year 2017.

**Largest Payers of the Storm Water Facilities**

<table>
<thead>
<tr>
<th>Entity</th>
<th>Type of Entity</th>
<th>ERU’s</th>
<th>Revenue</th>
<th>% of Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excel Ft Union LLC</td>
<td>Retail</td>
<td>303.3</td>
<td>$28,886</td>
<td>1.7%</td>
</tr>
<tr>
<td>Intermountain Healthcare</td>
<td>Commercial</td>
<td>277.26</td>
<td>26,406</td>
<td>1.6</td>
</tr>
<tr>
<td>Salt Lake County Public Works</td>
<td>Governmental</td>
<td>263.59</td>
<td>25,104</td>
<td>1.5</td>
</tr>
<tr>
<td>Canyons School District</td>
<td>School</td>
<td>258.20</td>
<td>24,591</td>
<td>1.4</td>
</tr>
<tr>
<td>Wasatch Advantage Group</td>
<td>Apartments</td>
<td>181.00</td>
<td>17,238</td>
<td>1.0</td>
</tr>
<tr>
<td>Walmart</td>
<td>Retail</td>
<td>180.20</td>
<td>17,162</td>
<td>1.0</td>
</tr>
<tr>
<td>Overstock.com</td>
<td>Commercial</td>
<td>206.47</td>
<td>15,692</td>
<td>0.9</td>
</tr>
<tr>
<td>Top Golf</td>
<td>Commercial</td>
<td>142.75</td>
<td>13,596</td>
<td>0.8</td>
</tr>
<tr>
<td>Exel Trust</td>
<td>Retail</td>
<td>140.50</td>
<td>13,381</td>
<td>0.8</td>
</tr>
<tr>
<td>Wasatch Club Apartments</td>
<td>Apartments</td>
<td>135.60</td>
<td>12,915</td>
<td>0.8</td>
</tr>
</tbody>
</table>

(Source: The City.)
Enforcement of Rates and Charges

The City Council has adopted rules and regulations (the “City Regulations”). The City Regulations include a mandatory connection policy for each of the City’s service areas. The mandatory connection policy requires the owner of any property used for human occupancy, employment, recreation or other purposes which is situated within the City’s service areas to connect with the System and requires the construction of appropriate water and sewer facilities by residential developers.

Connection, Billing and Collection Procedures

Pursuant to the City’s mandatory connection policy, connection to the System is required. Connection fees are due when the building permit is secured.

Virtually all of the City’s water customers are metered; meters are read monthly by the City. If for whatever reason a meter reading is not obtained, water usage is estimated and an appropriate adjustment is made in the bill when an accurate reading is available.

Bills for service charges are rendered monthly and are due when rendered. Customers are sent one bill including charges for all City utilities. Bills are delinquent when unpaid after approximately thirty days, at which time a 5% late charge is assessed. If payment is not made by the 45th day, service may be discontinued and a fee of $50 charged before service is resumed. Billings are prepared each month and sent via regular mail. Payment is due by the due date each month.

(The remainder of this page intentionally left blank.)
HISTORICAL OPERATIONS AND PRO FORMA DEBT SERVICE COVERAGE

The following table sets forth the historical and pro forma operations of the System and the projected debt service coverage for the Series 2018 Bonds and the Outstanding Parity Bonds with regard to the System for the fiscal years ending June 30 shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Historical</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water user charges</td>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>Water connection fees</td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Water other revenue</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Total Water Revenue</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>Sewer user charges</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td>Sewer connection fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer other revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Sewer Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm Water user charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm Water other revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Storm Water Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total System Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water operating expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer operating expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm Water operating expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total System Operating Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Net Revenues available for debt service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding Bonds Debt Service:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2007B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2007C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2010A&amp;B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coverage Ratio</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: The City and the Municipal Advisor.)
# DEBT STRUCTURE OF THE CITY

## Outstanding Municipal Debt of the City (as of February 1, 2018)

### Water, Sewer, and Storm Water Revenue Bonds

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Original Amount</th>
<th>Final Maturity Date</th>
<th>Current Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007C</td>
<td>System Improvements</td>
<td>$5,050,000</td>
<td>October 1, 2029</td>
<td>$3,266,000</td>
</tr>
<tr>
<td>2010B</td>
<td>System Improvements</td>
<td>6,595,000</td>
<td>October 1, 2030</td>
<td>5,895,000</td>
</tr>
<tr>
<td>2012</td>
<td>Refunding</td>
<td>1,537,000</td>
<td>April 1, 2027</td>
<td>1,094,000</td>
</tr>
<tr>
<td>2013</td>
<td>System Improvements</td>
<td>2,552,000</td>
<td>October 1, 2028</td>
<td>1,958,000</td>
</tr>
<tr>
<td>2014</td>
<td>System Improvements</td>
<td>2,800,000</td>
<td>October 1, 2029</td>
<td>2,328,000</td>
</tr>
<tr>
<td>2016</td>
<td>Refunding</td>
<td>4,490,000</td>
<td>October 1, 2032</td>
<td>4,490,000</td>
</tr>
<tr>
<td>2018(1)</td>
<td>System Improvements</td>
<td></td>
<td>October 1, 20</td>
<td>$</td>
</tr>
</tbody>
</table>

*Total*  

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Original Amount</th>
<th>Final Maturity Date</th>
<th>Principal Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Roads</td>
<td>$8,340,000</td>
<td>May 1, 2032</td>
<td>$8,340,000</td>
</tr>
</tbody>
</table>

(1) For purposes of this Official Statement the Series 2018 Bonds will be considered outstanding.  
* Preliminary; subject to change.

### Sales Tax Revenue Bonds(1)

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Original Amount</th>
<th>Final Maturity Date</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Roads</td>
<td>$8,340,000</td>
<td>May 1, 2032</td>
<td>$8,340,000</td>
</tr>
</tbody>
</table>

(1) The City’s RDA Series 2010B Bonds have a parity lien on sales and use tax revenues; see “Outstanding Debt of the Redevelopment Agency of the City” below. The City also has a contingent obligation from a subordinate pledge of the sales and use tax revenues for UTOPIA; see “Other Obligations” below.

### Excise Tax Revenue Bonds

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Original Amount</th>
<th>Final Maturity Date</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Road Projects</td>
<td>$2,335,000</td>
<td>April 15, 2019</td>
<td>$590,000</td>
</tr>
</tbody>
</table>

### General Obligation Bonds

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Original Amount</th>
<th>Final Maturity Date</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Refunding</td>
<td>$3,370,000</td>
<td>September 15, 2019</td>
<td>$770,000</td>
</tr>
</tbody>
</table>

### Outstanding Lease Revenue Bonds(1)

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Original Amount</th>
<th>Final Maturity Date</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>City Hall/Street Lighting</td>
<td>$8,990,000</td>
<td>October 15, 2038</td>
<td>$7,595,000</td>
</tr>
</tbody>
</table>

(1) The Municipal Building Authority of Midvale City, Utah (the “Authority”), was created to acquire projects for the City pursuant to the Utah Municipal Building Authority Act. The Authority has no assets, except for those purchased with the lease revenue bonds described above. The Authority’s debt does not constitute legal debt within the meaning of any constitutional or statutory limitation of the City. The Authority entered into an annual lease with the City that may be terminated by the City in any year and lease payments by the City may be made only from funds that are annually budgeted and appropriated by the City for such purposes. The lease revenue bonds of the Authority are secured by an assignment of the City’s lease payments and a security interest in the project financed by such bonds.
Outstanding Debt of the Redevelopment Agency of the City

The Redevelopment Agency of Midvale City, Utah (the “Agency”) was established to further public purposes in the redevelopment of certain City areas. The Agency’s debt does not constitute legal debt within the meaning of any constitutional provision or statutory limitation of the City. The Agency has the following bonds outstanding as of February 1, 2018:

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Original Amount</th>
<th>Final Maturity Date</th>
<th>Current Balance</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010B(1)</td>
<td>Bingham Junction</td>
<td>$23,750,000</td>
<td>May 1, 2034(1)</td>
<td>$21,925,000(1)</td>
<td></td>
</tr>
<tr>
<td>2015(2)</td>
<td>Gardner Parking Structure</td>
<td>12,961,000</td>
<td>May 1, 2034</td>
<td>12,961,000</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Refunding</td>
<td>17,670,000</td>
<td>May 1, 2034</td>
<td>17,670,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$52,556,000</td>
</tr>
</tbody>
</table>

(1) These bonds will be refunded on a cross-over basis on May 1, 2020, and are not considered discharged or defeased until such date. The principal outstanding amount shown reflects the principal amount outstanding to originally scheduled maturity date. These bonds are payable from and secured by tax increment revenues and other revenues but are additionally secured by revenues received by the Agency pursuant to the Interlocal Sales Tax Pledge and Loan Agreement dated as of May 1, 2010, between the Agency and the City, which revenues are derived from the local sales and use revenues received by the City.

(2) These bonds are payable from and secured by tax increment revenues from a “sub-project area” of the Agency, but are additionally secured by a subordinate lien on the tax increment revenues from the larger, full project area securing the Series 2010B Bonds.

Other Obligations

The City, along with certain other State municipalities (collectively, the “Members”), has entered into an Interlocal Cooperative Agreement (the “UTOPIA Interlocal Agreement”) pursuant to which the Members formed the Utah Telecommunication Open Infrastructure Agency (“UTOPIA”). UTOPIA has undertaken the construction of a fiber optic telecommunications network that provides high-speed broadband voice, video and data access to certain of its Members (the “Pledging Members”) that have entered into Pledge and Loan Agreements with UTOPIA (the “UTOPIA Pledge Agreements”). Pursuant to the UTOPIA Pledge Agreements, the Pledging Members have agreed to transfer to UTOPIA a portion of such Pledging Members’ sales and use taxes to provide a source of payment for certain bonds issued by UTOPIA. In December 2011, UTOPIA issued such bonds in the aggregate principal amount of $185,000,000 (the “UTOPIA Bonds”) (a portion of these proceeds were used to refund its prior series of bonds). Each UTOPIA Pledge Agreement provides that the Pledging Members’ obligation to make such transfer is limited to a certain annual maximum amount. The maximum amount of pledged sales tax revenues committed by the City for the year ended June 30, 2017 is $844,295, with a 2% increase per year through 2040 (to a maximum amount of $1,329,152.42).

The City has a contingent liability in connection with its participation in the Utah Infrastructure Agency (the “UIA Obligation”). The UIA Obligation is payable from franchise tax revenues received by the City. The maximum annual amount of the UIA Obligation is $339,988.

Future Debt Plans

[The City boundaries include an undeveloped area known as “Jordan Bluffs” which may require infrastructure financing within the next three years. However, the nature and amount of this financing is as of yet undetermined.]

No Defaulted Bonds

The City has never failed to pay principal and interest when due on its outstanding bonded indebtedness or any other obligations.
FINANCIAL INFORMATION REGARDING THE CITY

Fund Structure; Accounting Basis

The City prepares its government-wide financial statements based on proprietary fund accounting. All assets, liabilities and equity are recorded on the City’s balance sheet using full accrual accounting. All capital assets, including infrastructure, are capitalized and depreciated. Equity is comprised of contributed capital and retained earnings. The City prepares its governmental funds financial statements based on current financial resources measurement focus and the modified accrual basis of accounting.

In proprietary funds, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budget and Appropriation Process

The budget and appropriation process of the City is governed by State law (the “Fiscal Procedures Act”). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the proprietary fund. The budget is to provide a complete financial plan for the budget (ensuing fiscal) year. The budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures.

On or before the first regularly scheduled meeting of the City Council in May of each year, the budget officer is required to submit to the Council the tentative budget for the fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budget. The budget officer may revise the budget requests submitted by the heads of City departments, but must file these submissions with the Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the available revenue from non-property tax sources and the revenue from general property taxes. The tentative budget is then tentatively adopted by the Council, with any amendments or revisions that the Council deems advisable prior to the public hearing on the tentative budget. If the tax rate in the proposed budget exceeds the “certified tax rate,” the Council shall comply with the Property Tax Act, Chapter 2, Title 59, Utah Code Annotated 1953, as amended (the “Property Tax Act”) in adopting the budget. After public notice and hearing the tentative budget is adopted by the Council, subject to further amendment or revisions by the Council prior to adoption of the final budget.

On or before June 22 in each year, the final budget is adopted by the Council. The adopted final budget is subject to amendment by the Council during the fiscal year. Public notice and hearing are required in order to increase the budget total.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the Board for the succeeding tax year.

Adoption of Ad Valorem Tax Levy. State law requires that the governing body of each taxing entity shall, before June 22 of each year, adopt a proposed, or, if the tax rate is not more than the certified tax rate, a final, tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located. Therefore, if the City’s proposed budget includes a tax rate which exceeds the certified tax rate, the City is required to follow strict rules established by the Property Tax Act. The rules include publishing several public notices of its intent, coordinating the date and time of the public hearing regarding the tax increase with Salt Lake County, and delaying final adoption of the budget until such time as the new tax rate has been adopted.

Financial Records and Statements

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. The City has also empowered the City Manager to maintain control by major categories within departments. Controls are such that a requisition will not be entered into the purchasing system unless the appropriated funds are available.
The Finance Director checks for sufficient funds prior to the purchase order being issued and again before the payment check.

Management Discussion and Analysis

In connection with the preparation of its audited financial statements for the fiscal year ended June 30, 2017, the City prepared a management’s discussion and analysis of operations. Such management’s discussion and analysis was included as part of the City’s audit report for the fiscal year ended June 30, 2017 and is included in Appendix A hereto.

Five-Year Financial Summaries

The summaries contained herein were extracted from the City’s audited annual financial reports for the fiscal years ended June 30, 2013, through June 30, 2017. The summaries are unaudited.

(Remainder of this page intentionally left blank.)
## MIDVALE CITY

**Statement of Net Position**

(This summary has not been audited.)

Fiscal Year Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$11,531,830</td>
<td>$12,762,292</td>
<td>$12,958,606</td>
<td>$13,565,826</td>
<td>$9,700,346</td>
</tr>
<tr>
<td>Restricted</td>
<td>11,122,578</td>
<td>8,393,001</td>
<td>3,373,442</td>
<td>8,058,298</td>
<td>13,436,177</td>
</tr>
<tr>
<td><strong>Receivables</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(net of allowance for uncollectibles):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts and taxes</td>
<td>6,010,169</td>
<td>5,650,013</td>
<td>3,586,544</td>
<td>3,289,797</td>
<td>5,557,521</td>
</tr>
<tr>
<td>Contracts</td>
<td>242,325</td>
<td>236,365</td>
<td>224,070</td>
<td>220,024</td>
<td>202,185</td>
</tr>
<tr>
<td>Court fines</td>
<td>407,198</td>
<td>625,790</td>
<td>973,194</td>
<td>954,153</td>
<td>1,104,853</td>
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<tr>
<td>Due from other governments</td>
<td>506,802</td>
<td>472,898</td>
<td>596,207</td>
<td>268,165</td>
<td>1,147,183</td>
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<tr>
<td>Inventory</td>
<td>99,208</td>
<td>140,495</td>
<td>43,719</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Prepaid and deposits</td>
<td>92,146</td>
<td>97,768</td>
<td>21,460</td>
<td>81,732</td>
<td>363,208</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>4,491,754</td>
<td>4,512,303</td>
<td>4,455,093</td>
<td>4,442,253</td>
<td>4,408,429</td>
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<tr>
<td>Note receivable</td>
<td>307,486</td>
<td>307,486</td>
<td>307,484</td>
<td>193,600</td>
<td>73,615</td>
</tr>
<tr>
<td>Net pension asset</td>
<td>–</td>
<td>258</td>
<td>3,514</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Land held for resale</td>
<td>150,130</td>
<td>150,130</td>
<td>150,130</td>
<td>150,130</td>
<td>150,130</td>
</tr>
<tr>
<td>Capital assets (net of accumulated depreciation):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>25,927,643</td>
<td>15,202,392</td>
<td>15,407,074</td>
<td>6,603,444</td>
<td>6,768,667</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>37,384,134</td>
<td>36,069,892</td>
<td>33,620,728</td>
<td>33,258,513</td>
<td>32,678,612</td>
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<tr>
<td>Equipment</td>
<td>2,485,655</td>
<td>2,378,912</td>
<td>1,851,720</td>
<td>1,019,693</td>
<td>826,415</td>
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<td>Infrastructure</td>
<td>19,501,173</td>
<td>17,977,701</td>
<td>17,977,002</td>
<td>17,942,798</td>
<td>18,830,454</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>185,522,069</td>
<td>177,945,251</td>
<td>161,157,521</td>
<td>161,021,831</td>
<td>159,701,168</td>
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<tr>
<td><strong>Deferred outflows of resources:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred pension obligation</td>
<td>1,251,443</td>
<td>1,066,445</td>
<td>365,867</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources</strong></td>
<td>1,251,443</td>
<td>1,066,445</td>
<td>365,867</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,237,294</td>
<td>2,933,171</td>
<td>2,173,261</td>
<td>1,930,927</td>
<td>802,660</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>157,398</td>
<td>306,839</td>
<td>263,359</td>
<td>248,091</td>
<td>237,263</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>622,473</td>
<td>339,149</td>
<td>353,739</td>
<td>313,850</td>
<td>331,447</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>366,994</td>
<td>580,713</td>
<td>563,504</td>
<td>569,460</td>
<td>640,837</td>
</tr>
<tr>
<td>Bonds and notes payable</td>
<td>4,092,000</td>
<td>3,220,000</td>
<td>2,934,000</td>
<td>2,696,451</td>
<td>2,233,570</td>
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<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds and notes payable</td>
<td>70,894,576</td>
<td>65,772,639</td>
<td>56,054,859</td>
<td>59,009,465</td>
<td>58,982,127</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>91,748</td>
<td>84,786</td>
<td>94,809</td>
<td>78,465</td>
<td>–</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>2,307,288</td>
<td>2,097,880</td>
<td>1,594,967</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Deposits held</td>
<td>396,558</td>
<td>1,034,065</td>
<td>1,133,515</td>
<td>719,762</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>81,166,329</td>
<td>76,369,242</td>
<td>65,166,013</td>
<td>65,566,471</td>
<td>63,795,319</td>
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<tr>
<td><strong>Deferred inflows of resources:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue property taxes</td>
<td>3,027,860</td>
<td>2,895,940</td>
<td>1,135,927</td>
<td>1,048,637</td>
<td>3,301,071</td>
</tr>
<tr>
<td>Deferred pension obligation, net</td>
<td>349,275</td>
<td>219,798</td>
<td>208,644</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total deferred inflows of resources</strong></td>
<td>3,377,135</td>
<td>3,115,738</td>
<td>1,344,568</td>
<td>1,048,637</td>
<td>3,301,071</td>
</tr>
<tr>
<td><strong>Net Position:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>98,735,873</td>
<td>105,263,510</td>
<td>100,984,650</td>
<td>93,479,250</td>
<td>102,474,477</td>
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<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects and redevelopment</td>
<td>9,125,162</td>
<td>1,521,186</td>
<td>883,082</td>
<td>3,752,036</td>
<td>10,410,955</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(5,630,987)</td>
<td>(7,257,980)</td>
<td>(6,854,925)</td>
<td>(2,824,563)</td>
<td>(20,280,654)</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$102,230,048</td>
<td>$99,526,716</td>
<td>$95,017,807</td>
<td>$94,406,723</td>
<td>$92,604,778</td>
</tr>
</tbody>
</table>

(Source: This summary of financial information has been taken from the City’s audited financial statements for the years 2013-2017. This summary has not been audited.)
## MIDVALE CITY
### Balance Sheet–Governmental Funds–General Fund
(This summary has not been audited.)

Fiscal Year Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>$2,153,237</td>
<td>$1,688,499</td>
<td>$2,171,064</td>
<td>$1,946,085</td>
<td>$839,918</td>
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<tr>
<td>Restricted</td>
<td>247,544</td>
<td>247,011</td>
<td>252,465</td>
<td>252,928</td>
<td>306,309</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts and other</td>
<td>162,484</td>
<td>110,336</td>
<td>32,739</td>
<td>91,282</td>
<td>57,143</td>
</tr>
<tr>
<td>Taxes</td>
<td>4,158,956</td>
<td>3,893,181</td>
<td>2,333,876</td>
<td>2,399,677</td>
<td>2,244,536</td>
</tr>
<tr>
<td>Court fines</td>
<td>407,198</td>
<td>625,790</td>
<td>973,194</td>
<td>918,685</td>
<td>1,104,853</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>506,802</td>
<td>472,898</td>
<td>596,207</td>
<td>268,165</td>
<td>1,075,864</td>
</tr>
<tr>
<td>Deposits</td>
<td>65,112</td>
<td>73,268</td>
<td>21,460</td>
<td>36,069</td>
<td>13,605</td>
</tr>
<tr>
<td>Total assets</td>
<td>$7,701,333</td>
<td>$7,110,983</td>
<td>$6,381,005</td>
<td>$5,912,891</td>
<td>$5,705,905</td>
</tr>
<tr>
<td><strong>Liabilities and fund balances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>381,833</td>
<td>203,845</td>
<td>225,141</td>
<td>236,891</td>
<td>188,529</td>
</tr>
<tr>
<td>Deposits held</td>
<td>337,242</td>
<td>974,749</td>
<td>1,074,199</td>
<td>631,428</td>
<td>464,218</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>124,091</td>
<td>238,452</td>
<td>195,695</td>
<td>198,880</td>
<td>186,950</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>843,166</td>
<td>1,417,046</td>
<td>1,495,035</td>
<td>1,067,199</td>
<td>839,697</td>
</tr>
<tr>
<td>Deferred inflows of resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unavailable revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- property taxes</td>
<td>2,469,167</td>
<td>2,428,406</td>
<td>971,088</td>
<td>1,048,637</td>
<td>906,371</td>
</tr>
<tr>
<td>Unavailable revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- fines assessed</td>
<td>356,971</td>
<td>610,819</td>
<td>910,061</td>
<td>836,640</td>
<td>995,173</td>
</tr>
<tr>
<td>Total deferred inflows of resources</td>
<td>2,826,138</td>
<td>3,039,225</td>
<td>1,881,149</td>
<td>1,885,277</td>
<td>1,901,544</td>
</tr>
<tr>
<td>Fund balance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>247,544</td>
<td>247,011</td>
<td>252,465</td>
<td>246,375</td>
<td>246,375</td>
</tr>
<tr>
<td>Unassigned</td>
<td>3,784,485</td>
<td>2,407,701</td>
<td>2,752,356</td>
<td>2,714,040</td>
<td>2,718,289</td>
</tr>
<tr>
<td>Total fund balances</td>
<td>4,032,029</td>
<td>2,654,712</td>
<td>3,004,821</td>
<td>2,960,415</td>
<td>2,964,664</td>
</tr>
<tr>
<td>Total liabilities and fund balances</td>
<td>$7,701,333</td>
<td>$7,110,983</td>
<td>$6,381,005</td>
<td>$5,912,891</td>
<td>$5,705,905</td>
</tr>
</tbody>
</table>

(Source: This summary of financial information has been taken from the City’s audited financial statements for the years 2013-2017. This summary has not been audited.)
MIDVALE CITY  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds–General Fund  
(This summary has not been audited.)

Fiscal Year Ended June 30

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$13,068,967</td>
<td>$10,366,567</td>
<td>$10,002,386</td>
<td>$9,844,786</td>
<td>$9,292,327</td>
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<tr>
<td>Licenses and permits</td>
<td>583,437</td>
<td>974,711</td>
<td>929,422</td>
<td>887,041</td>
<td>887,225</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>2,372,530</td>
<td>2,713,518</td>
<td>1,624,396</td>
<td>2,660,759</td>
<td>2,072,272</td>
</tr>
<tr>
<td>Charges for services</td>
<td>1,717,633</td>
<td>1,924,706</td>
<td>1,891,997</td>
<td>2,088,987</td>
<td>1,569,858</td>
</tr>
<tr>
<td>Fines and forfeitures</td>
<td>974,651</td>
<td>1,236,006</td>
<td>1,528,308</td>
<td>1,257,733</td>
<td>1,245,081</td>
</tr>
<tr>
<td>Interest income</td>
<td>36,293</td>
<td>17,664</td>
<td>10,246</td>
<td>18,841</td>
<td>21,052</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>95,968</td>
<td>37,073</td>
<td>15,168</td>
<td>68,578</td>
<td>163,845</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>18,849,479</td>
<td>17,270,245</td>
<td>16,001,923</td>
<td>16,826,725</td>
<td>15,251,660</td>
</tr>
</tbody>
</table>

| **Expenditures:**    |         |         |         |         |         |
| General government   | 3,966,525 | 4,095,809 | 5,103,097 | 5,085,037 | 4,340,180 |
| Public safety        | 6,904,536 | 6,581,069 | 6,392,114 | 6,008,069 | 5,635,904 |
| Highways and public  | 759,449   | 784,451   | 812,797   | 1,068,817 | 871,110  |
| improvements          | 892,240   | 841,194   | 736,565   | 658,193   | 706,933  |
| Parks, recreation     | 1,230,080 | 1,324,787 | 5,056     | 11,843    | –        |
| and public property   |          |          |          |          |          |
| Community development |          |          |          |          |          |
| Debt service:         |          |          |          |          |          |
| Principal             | 615,000   | 605,000   | 565,000   | 550,000   | 530,000  |
| Interest              | 100,640   | 126,278   | 150,730   | 173,345   | 194,745  |
| Bond issuance costs   | 145,321   | –         | –         | –         | –        |
| **Total expenditures**| 14,613,791 | 14,358,588 | 13,765,359 | 13,555,304 | 12,278,872 |

| **Excess of revenues over (under) expenditures** | 4,235,688 | 2,911,657 | 2,236,564 | 3,271,421 | 2,972,788 |

| **Other financing sources (uses):** |         |         |         |         |         |
| Transfers in           | 104,000  | –         | 25,000   | 300,000  | 28,000   |
| Transfers out          | (12,117,438) | (3,274,742) | (2,219,756) | (3,821,683) | (6,103,314) |
| Proceeds from sale of assets | 8,435 | 12,976 | 2,598 | 246,013 | 2,947,359 |
| Proceeds from bond issuance | 9,146,632 | – | – | – | – |
| **Total other financing sources (uses)** | (2,858,371) | (3,261,766) | (2,192,158) | (3,275,670) | (3,127,955) |

| **Net change in fund balance** | 1,377,317 | (350,109) | 44,406 | (4,249) | (155,167) |
| **Fund balance at beginning of year** | 2,654,712 | 3,004,821 | 2,960,415 | 2,964,664 | 3,119,831 |
| **Fund balance at end of year** | $4,032,029 | $2,654,712 | $3,004,821 | $2,960,415 | $2,964,664 |

(Source: This summary of financial information has been taken from the City’s audited financial statements for the years 2013-2017. This summary has not been audited.)
BONDHOLDERS’ RISKS

The purchase of the Series 2018 Bonds involves certain investment risks that are discussed throughout this Official Statement. No prospective purchaser of the Series 2018 Bonds should make a decision to purchase any of the Series 2018 Bonds without first reading and considering the entire Official Statement, including all Appendices, and making an independent evaluation of all such information. Certain of those investment risks are described below. The list of risks described below is not intended to be definitive or exhaustive and the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General

The Series 2018 Bonds are payable from and secured by a pledge and assignment of Net Revenues from the System and moneys on deposit in the funds and accounts held by the Trustee under the Indenture other than the Rebate Fund and the Repair and Replacement Fund. Future economic and other conditions, the demand for water and sewer services within the City and the surrounding areas, economic and employment trends and events, demographic changes, changes in governmental regulations and policies and other factors may adversely affect the future financial condition of the System, and, consequently, the availability of Net Revenues. No assurance can be made that the Net Revenues of the System will be realized by the City in amounts sufficient to pay debt service on the Series 2018 Bonds when due.

Operation of the System

In order for the City to make timely payment of the principal and interest requirements of the Series 2018 Bonds and to meet its other obligations under the Indenture, it will be necessary for the City to manage, operate and maintain the System in an efficient and economical manner that is consistent with prudent utility practice. The operation of the System is subject to the requirements of various governmental rules and regulations and the System must be operated in compliance with these requirements. In the event that the System is not operated or is not capable of operation as required by the provisions of such governmental rules and regulations, the City may be subject to certain penalties.

The City believes that the System will be operated in a manner that will allow it to pay Operation and Maintenance Expenses for the System, as well as debt service on the Series 2018 Bonds and the Outstanding Parity Bonds.

To the extent the System develops operational problems, rates for the System may need to be increased to produce sufficient Revenue unless other sources of funds are obtained. In the event that Revenues need to be increased for the continued operation of the System (and to pay debt service on the Series 2018 Bonds), it may be necessary to increase rates for the System. Although the City has the ability to establish rates without prior approval from another governmental entity, the City may decide not to make any rate increases due to political feasibility or other concerns.

LEGAL MATTERS

General

All legal matters incident to the authorization and issuance of the Series 2018 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney. The approving opinion of Bond Counsel will be delivered with the Series 2018 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX E of this Official Statement will be made available upon request from the Trustee.
Absence of Litigation

A non-litigation opinion is expected to be provided by the City Attorney, dated the date of closing, stating, among other things that there is no action, suit, proceeding, inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, which is pending or threatened, challenging the creation, organization, or existence of the City; or the titles of its officers to their respective offices; or seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2018 Bonds; or for the purpose of restraining or enjoining the levy and collection of taxes, Revenues, or assessments by the City; or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2018 Bonds are issued; or the validity of the Series 2018 Bonds or the issuance thereof.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 2018 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2018 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2018 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2018 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law currently existing as of the issue date of the Series 2018 Bonds:

Federal Tax Exemption. The interest on the Series 2018 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The interest on the Series 2018 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond Counsel’s opinions are provided as of the date of the original issue of the Series 2018 Bonds, subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the issuance of the Series 2018 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2018 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2018 Bonds.

State of Utah Tax Exemption. The interest on the Series 2018 Bonds is exempt from State of Utah individual income taxes.

Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2018 Bonds but has reviewed the discussion under the heading “TAX MATTERS.”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2018 Bond over its issue price. The issue price of a Series 2018 Bond is generally the first price at which a substantial amount of the Series 2018 Bonds of that maturity have been sold to the
public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2018 Bond during any accrual period generally equals (1) the issue price of that Series 2018 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2018 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2018 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that Series 2018 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2018 Bond over its stated redemption price at maturity. The issue price of a Series 2018 Bond is generally the first price at which a substantial amount of the Series 2018 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2018 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2018 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2018 Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

[Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Series 2018 Bond, an owner of the Series 2018 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Series 2018 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2018 Bond. To the extent a Series 2018 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2018 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2018 Bonds, and to the proceeds paid on the sale of the Series 2018 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2018 Bonds should be aware that ownership of the Series 2018 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2018 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2018 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2018 Bonds, including the possible application of state, local, foreign and other tax laws.

UNDERWRITING

George K. Baum & Company, as underwriter of the Series 2018 Bonds (the “Underwriter”) has agreed, subject to certain conditions, to purchase all of the Series 2018 Bonds from the City at an aggregate purchase price of $__________ (representing the par amount of the Series 2018 Bonds of $__________, plus a [net] reoffering premium of $__________ and less an underwriting discount of $__________). The obligation of the Underwriter to purchase the Series 2018 Bonds is subject to a number of terms and conditions set forth in the Bond Purchase Contract between the City and the Underwriter. The Underwriter has advised the City that it intends to make a public offering of the
Series 2018 Bonds at the prices set forth on the cover page hereof. Such prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Series 2018 Bonds to certain dealers (including dealers depositing Series 2018 Bonds into investment trusts) and others at prices lower than the offering prices stated on the cover page hereof. Although the Underwriter expects to maintain a secondary market in the Series 2018 Bonds after the initial offering, no assurance can be made that such a market will develop or be maintained by the Underwriter or others.

MUNICIPAL ADVISOR

The City has entered into an agreement with Lewis Young Robertson & Burningham, Inc., Salt Lake City, Utah (the “Municipal Advisor”) whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to timing of sale, bond market conditions, costs of issuance and other factors relating to the sale of the Series 2018 Bonds. The Municipal Advisor has read and participated in the drafting of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matters related to the Official Statement. Municipal Advisor fees are contingent upon the sale and delivery of the Series 2018 Bonds.

BOND RATINGS

As of the date of this Official Statement, S&P Global Ratings (“S&P”) and Fitch Ratings, Inc. (“Fitch”) have assigned municipal bond ratings of “_____” and “_____,” respectively, to the Series 2018 Bonds.

Such ratings assigned to the Series 2018 Bonds do not constitute a recommendation by the rating agency to buy, sell or hold the Series 2018 Bonds. Such ratings reflect only the view of such organization delivering the same and any desired explanation of the significance of such ratings should be obtained from that rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own.

There is no assurance that any rating assigned to the Series 2018 Bonds will be maintained for any period of time or that such rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Series 2018 Bonds.

CONTINUING DISCLOSURE

The City has undertaken for the benefit of the Owners and the beneficial owners of the Series 2018 Bonds to provide certain annual financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) and the City has undertaken for the benefit of the Owners and beneficial owners of the Series 2018 Bonds to provide notice of certain material events to the MSRB all in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”). See APPENDIX D attached hereto and incorporated herein by reference for a form of the Continuing Disclosure Undertaking that will be executed and delivered by the City.

[The City reports that in the last five years, it did not timely file notice of a rating upgrade by Fitch on the City’s Municipal Building Authority Lease Revenue Bonds, Series 2012. Such notice along with failure to timely file notice was subsequently filed by the City. ]

A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute a default under the Indenture and beneficial owners of the Series 2018 Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. A failure by the City to comply with the Continuing Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2018 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2018 Bonds and their market price.
See “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING” for the information to be provided, the events which will be noticed on an occurrence basis and the other terms of the Continuing Disclosure Undertaking, including termination, amendment and remedies.

MISCELLANEOUS

Independent Accountants

The general purpose financial statements of the City as of June 30, 2017 and for the year then ended, included in this Official Statement, have been audited by Larson & Company, PC (“Larson”), as stated in its report in APPENDIX A to this Official Statement. Larson has not been asked to consent to the use of its name and audited financial statements in this Official Statement.

Copies of the City’s annual financial report may be obtained upon request from the City.

Additional Information

All quotations contained herein from and summaries and explanations of the Utah Constitution, statutes, programs, laws of the State, court decisions, and the Indenture do not purport to be complete, and reference is made to said Constitution, statutes, programs, laws, court decisions, and the Indenture for full and complete statements of their respective provisions.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, is intended as such and not as representations of fact.

The appendices attached hereto are an integral part of this Official Statement, and should be read in conjunction with the foregoing material.

This Preliminary Official Statement is in a form “deemed final” by the City for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The delivery of the Official Statement has been duly authorized by the City.

MIDVALE CITY, UTAH
APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
APPENDIX B

EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE

The following extracts briefly outline certain provisions contained in the Indenture and are not to be considered as a full statement thereof. Reference is made to the Indenture for full details of all the terms thereof, of the Series 2018 Bonds, the security provisions appertaining thereof, and the application of the Revenues and the definition of any terms used but not defined in this Official Statement.

Definitions

As used in the 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 Midvale City, Utah Water and Sewer Revenue Acquisition/Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Act” means collectively the Utah 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 the Indenture other than the Initial Bonds.


“Aggregate Annual Debt Service Requirement” means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specified 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, or any other officer of the Issuer so designated in writing by the Issuer to the Trustee.

“Balloon Bonds” means Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one Year from 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 one Year.

“Bond Anticipation Notes” means notes issued under the Indenture in anticipation of the issuance of a Series of Bonds.

“Bond Fund” means the Midvale City, Utah Water and Sewer Revenue Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“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 in the Indenture authorized according to the registration books of the Issuer maintained by the Registrar.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the 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 Principal 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 so designated, 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 (ii) is payable upon maturity or prior redemption of such Bonds.

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


“Commercial Paper Program” means a program of issuing 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 the Indenture and are outstanding up to an Authorized Amount.

“Construction Bonds” means Additional Bonds issued pursuant to the Indenture to finance all or part of the Cost of a Project.

“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 or other obligations, 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 or other obligations, 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) printing, engraving, and other expenses of financing, fees of financial rating services and costs of issuing any Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));

(f) costs, fees, and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(g) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;
(h) amounts required to repay temporary loans or Bond Anticipation Notes incurred to finance the costs of a Project;

(i) cost of site improvements performed by the Issuer in anticipation of a Project;

(j) moneys necessary to fund the funds created under the Indenture;

(k) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture 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 provided in the Indenture, 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;

(l) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(m) 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

(n) 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, advertising and other expenses related to the redemption of such Bonds or other obligations to be redeemed and the redemption price of such bonds or other obligations (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 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 Cross-over Refunded Bonds if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of the Act, 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 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 the Indenture, when calculating interest payable during such Bond Fund Year for:

(1) 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) 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) 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) 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 thirty (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) 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) Balloon Bonds, it shall be assumed that Principal and interest amortized on a level debt service basis over a twenty (20)-year period at the interest rate 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), 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 (i) 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, (ii) 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 the Act 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, and (iii) 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.

“Debt Service Reserve Fund” means the Midvale City, Utah Revenue Debt Service Reserve Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Debt Service Reserve Requirement” means with respect to each Series of Bonds issued pursuant to the 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 Refunding Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series issued pursuant to the Indenture (the “Prior Bonds”), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Refunding Bonds and the portion of such Refunding Bonds that is allocable to the refunding of such Series of Prior 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 a Reserve Instrument as in the Indenture 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.

“Escrowed Interest” means amounts irrevocably deposited in escrow in accordance with the requirements of the Act, 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 Refunding Bonds, Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

“Event of Default” means any occurrence or event specified in and defined by the Indenture.

“Fitch” means Fitch Ratings.

“Governing Body” means the legislative body 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 or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

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

“Initial Bonds” means the first Series of Bonds issued under the 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 Midvale City, Utah, and its successors.

“Mayor” means the duly elected mayor of the Issuer or any successor to the duties of such office. Such term shall also include the deputy mayor except as the deputy mayor’s powers may be limited by written declaration of the duly elected mayor.

“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.

“Other Available Moneys” means for any Year the amount designated by the Issuer for transfer from the Rate Stabilization Fund to the Revenue Fund, provided that such amount shall not exceed 25% of the Aggregate Annual Debt Service Requirement for such Year.

“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, necessary to keep the System in efficient operating condition, including cost of audits required under the Indenture, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance required in the Indenture, 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 and interest expense for interfund loans from Issuer funds, 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.

“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 the Indenture, except:

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

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

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

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds pursuant to the Indenture, 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 of such Bond payable at maturity.

“Principal Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 10 East South Temple, 12th Floor, Salt Lake City, Utah, or such other or additional offices as may be specified by the Trustee.

“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 of the 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, expansion, and/or renovation of the System, including 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 or architectural matters relating to construction and maintenance of municipal water and sewer systems, appointed and paid by the Issuer, who shall not have any substantial interest, direct or indirect (other than employment), with the Issuer, but who may be regularly retained to make annual or other periodic reports of the Issuer. “Qualified Engineer” may include any registered or licensed engineer or architect 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 Financing Bank; the Farmer’s Home Administration; 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 two hundred seventy (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 (3) 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 or purchase of “A-1” or “A-1+” by S & P and “P-1” by Moody’s and maturing no more than three hundred sixty (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 moneys 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 Midvale City, Utah Water and Sewer Revenue Rate Stabilization Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.
“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 under the Indenture 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 the interest thereon is intended to be excludable from gross income for federal income tax purposes, 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 the interest thereon is intended to be excludable from gross income for federal income tax purposes, 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 Midvale City, Utah Water and Sewer Revenue Rebate Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Refunding Bonds” means the Bonds issued pursuant to the Indenture.

“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 the Indenture, 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 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 Midvale City, Utah Water and Sewer Revenue Repair and Replacement Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

“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.


“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 under all Reserve Instruments.

“Reserve Instrument Fund” means the Midvale City, Utah Water and Sewer Revenue Reserve Instrument Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“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 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 Midvale City, Utah Water and Sewer Revenue Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

“Revenues” means all revenues, fees (including impact fees to the extent such impact fees can legally be used for the purposes financed under the Indenture), income, rents and receipts received or earned by the Issuer from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), together with all interest earned by and profits derived from the sale of investments in the related funds thereof.


“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 the 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.

“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 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 Midvale City, Utah Water and Sewer Revenue Sinking Fund Account of the Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“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 the 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 the Indenture.

“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 Issuer’s Water, Sewer, and Storm Water, collectively, (i) the Issuer’s water facilities, including both culinary and irrigation facilities; (ii) the Issuer’s sewer facilities; and (iii) the Issuer’s storm water facilities, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses and rights of way of the Issuer and all other works, property, structures, equipment of the Issuer and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with, or related to said System.

“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 Revenues after payment of all amounts then due pursuant to the Indenture.

“Trustee” means Zions First National Bank, 10 East South Temple, 12th Floor, Salt Lake City, Utah, 84111 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 under the Indenture.


“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.

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 under the Indenture 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, the 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 the Indenture and the covenants and agreements set forth in the Indenture 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 the 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.

The Bonds

Limited Obligations. 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 under the Indenture and held by the Trustee (except the Rebate Fund) or the income from the temporary investment thereof). 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 under the Indenture (except the Rebate Fund) and the Issuer by the Indenture 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 in the Indenture 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.

Special Provisions for the Issuance of Construction Bonds. One or more Series of Additional Bonds may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Issuer for the purpose of paying or providing for the payment of all or a portion of (1) the Cost of Construction of a Project, (2) principal and redemption price of and interest on Bond Anticipation Notes, or (3) any combination of (1) and (2). Each such Series shall be in such principal amount which, when taken together with moneys previously used, moneys then legally available, or moneys to be obtained in the future for such Project, will provide the Issuer with sufficient funds to pay the estimated Cost of Construction of such Project, as shall be set forth in the written certificate of the Issuer furnished pursuant to the Indenture.
(a) Each Supplemental Indenture authorizing the issuance of a Series of Construction Bonds:

(i) Shall specify the Project for which the proceeds of such Series of Bonds will be applied; and

(ii) May require the Issuer to deposit a specified amount of money from the proceeds of the sale of such Series of Bonds or from other legally available sources into the applicable account within the Acquisition/Construction Fund sufficient to pay when due all or a portion of the interest on such Series of Bonds accrued and to accrue to the estimated completion date of the Project as set forth in the written certificate of the Issuer delivered pursuant to the Indenture, plus interest to accrue on such Series of Bonds after the estimated completion date for up to one Year (or such different period as may then be permitted by law).

(b) Each Series of Construction Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) of a written certificate of the Issuer, dated as of the date of such delivery, that contains the following:

(i) The then estimated completion date and estimated Cost of Construction of the Project being financed by such Series of Bonds;

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

(iii) (A) the estimated Net Revenues (plus any Other Available Moneys) of the Issuer for the then-current Bond Fund Year and each of the three succeeding Bond Fund Years, (B) the maximum Aggregate Annual Debt Service Requirement including total Repayment Obligations with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Construction Bonds for each of these Bond Fund Years, and (C) a statement that such estimated Net Revenues (plus any Other Available Moneys) are not less than 125% of the maximum Aggregate Annual Debt Service Requirement on all Bonds to be Outstanding for all Bond Fund Years beginning the Second Bond Fund Year after the Bond Fund Year in which the Construction Bonds are issued.

(iv) For purposes of this subsection (b), “estimated Net Revenues” shall be determined by a Qualified Engineer as follows:

(A) The total Net Revenues of the System for the most recent Bond Fund Year immediately preceding the authentication and delivery of the Construction Bonds in which such information is available to the Issuer shall be 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 Construction Bonds.

(B) Next, the additional Net Revenues, if any, resulting from the Improvements financed with the proceeds of the Construction Bonds will be estimated by a Qualified Engineer for the applicable Bond Fund Years.

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

(c) Notwithstanding any other provision of the Indenture, the provisions of paragraph (b)(iii) above shall not apply:

(i) to any Series of Construction Bonds, all of the proceeds of which are to be applied to pay the Cost of Construction of a Project necessary, as expressed in an Engineer’s Certificate delivered to the Trustee, to keep the System or any component thereof in good operating condition or to prevent a loss of
Revenues, or to comply with requirements of any governmental agency having jurisdiction over the Issuer or the System; or

(ii) to any Series of Bonds issued to pay the Cost of Construction necessary to complete any Project for which Bonds have previously been issued, provided that the Trustee shall have received:

(A) An engineer’s certificate to the effect that (i) the nature and purpose of such Project has not materially changed since the initial written certificate of the Issuer was filed pursuant to the Indenture, and (ii) the then estimated Costs of Construction of the Project as contained in the written certificate of the Issuer delivered pursuant to the Indenture exceeds the sum of the Costs of Construction already paid plus money available in the Acquisition/Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose) plus other legally available money in the Revenue Fund; and

(B) A written certificate of the Issuer to the effect that (i) all of the proceeds (including investment earnings) of Construction Bonds (or Bond Anticipation Notes) previously issued to finance such Project have been or will be used to pay Costs of Construction of the Project; (ii) the issuance of such Series of Bonds is necessary to provide funds to pay Costs of Construction necessary for the Project; and (iii) the principal amount of such Series of Bonds does not exceed twenty-five percent of the principal amount of all Construction Bonds previously issued to finance such Project.

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

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

Special Provisions for the Issuance of Refunding Bonds. (a) One or more Series of Refunding Bonds may be issued in such principal amount which, when taken together with other legally available moneys, will provide the Issuer with moneys sufficient to accomplish the refunding of all or a part of the Outstanding Bonds of one or more Series, including in each case the payment of all expenses in connection with such refunding.

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

(c) Each Series of Refunding Bonds (other than Cross-over Refunding Bonds) shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) of the following documents or moneys or securities, all of such documents dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) A written certificate of the Issuer certifying: (A) that the issuance of such Series of Refunding Bonds complies with the requirements of the Indenture, and (B) that (1) the estimated Net Revenues (plus any Other Available Moneys) of the Issuer for the then-current Bond Fund Year and each of the three succeeding Bond Fund Years, (2) the Aggregate Debt Service and the total Repayment Obligations with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Refunding Bonds for each of these Bond Fund Years, and (3) such estimated Net Revenues (plus any Other Available Moneys) are not less than 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds Outstanding for said Year; provided, however, that such Revenue coverage test set forth above shall not apply to Refunding Bonds issued for the purpose of refunding Bonds originally issued under the Indenture, to the
extent that (i) the Average Aggregate Annual Debt Service Requirement for such Refunding Bonds does not exceed the then remaining Average Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith and (ii) the maximum Aggregate Annual Debt Service Requirement for such Refunding Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of any redemption of the Bonds to be refunded on the redemption date or dates specified in such instructions;

(iii) If, within the next succeeding 90 days, the Bonds to be refunded do not mature, are not redeemable or are not to be redeemed, irrevocable instructions to the Trustee satisfactory to it, to mail the notice required by Article IX to the Owners of the Bonds being refunded; and

(iv) Either (A) moneys in an amount sufficient to effect payment of the principal or the applicable redemption price of the Bonds to be refunded, together with accrued interest to the maturity or redemption date, as the case may be, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for the Bonds to be refunded, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of Article IX, which Government Obligations and moneys shall be held in trust and used only as provided in such Article.

(d) Each Series of Cross-over Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) of the following documents or moneys or securities, all of such documents dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) a written certificate of the Issuer stating that the issuance of such Series of Cross-over Refunding Bonds complies with the requirements of the Indenture;

(ii) instructions to the Trustee, satisfactory to it, to give due notice of any redemption of the Cross-over Refunded Bonds on the Cross-over Date or on such other redemption date or dates, and subject to such conditions, as shall be specified in such instructions;

(iii) if the Cross-over Refunded Bonds are not by their terms subject to redemption within the 90 days next succeeding the Cross-over Date, instructions to the Trustee, satisfactory to it, to mail the notice provided for in Article IX to the Owners of the Cross-over Refunded Bonds on such date or dates as shall be specified in such instructions;

(iv) either (A) moneys in an amount sufficient to effect payment of the interest on the Cross-over Refunding Bonds to the Cross-over Date and the principal or the applicable redemption price of the Cross-over Refunded Bonds on the Cross-over Date (or other redemption date of the Cross-over Refunded Bonds), which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate trust account, or (B) Qualified Investments in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of the Supplemental Indenture authorizing the issuance of the Cross-over Refunding Bonds; and

(v) there shall be filed with the Trustee a written certificate of an independent public accountant demonstrating the sufficiency of the moneys and investments in the escrow to pay the interest on the Cross-over Refunding Bonds to the Cross-over Date and the principal or redemption price, as applicable, of the Cross-over Refunded Bonds on the Cross-over Date (or other redemption date of the Cross-over Refunded Bonds).

Any Supplemental Indenture providing for the issuance of Cross-over Refunding Bonds may establish conditions to the occurrence of the Cross-over Date and provide that the Cross-over Date will not occur if such
conditions are not satisfied, in which case the Cross-over Refunding Bonds will be redeemed on the Cross-over Date from the proceeds thereof, escrowed interest and other moneys available therefor. Each such Supplemental Indenture shall, in addition to all other requirements of the Indenture, provide that (i) until the occurrence of the Cross-over Date none of the principal or redemption price of and interest on the Cross-over Refunding Bonds shall be payable from or secured by the pledge of the Indenture, but shall be payable from the proceeds of the Cross-over Refunding Bonds, escrowed interest, and such other sources as may be provided in such Supplemental Indenture; and (ii) upon the occurrence of the Cross-over Date, the Cross-over Refunding Bonds shall be secured by the lien of the Indenture on a parity with all other Series of Bonds Outstanding.

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

Conditions for Issuance of Bond Anticipation Notes. (a) One or more Series of Bond Anticipation Notes may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Issuer for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of any Project, or the refunding of Bond Anticipation Notes, or a combination of such purposes.

(b) (i) Each Supplemental Indenture authorizing the issuance of a Series of Bond Anticipation Notes shall specify the Project to which the proceeds of such Series of Bond Anticipation Notes will be applied; and (B) may provide for the deposit of a specified amount of money from the proceeds of the sale of such Series of Bond Anticipation Notes into an account in the Acquisition/Construction Fund to pay when due all or a portion of the interest on such Series of Bond Anticipation Notes accrued and to accrue to the estimated completion date set forth in the written certificate of the Issuer delivered with respect to such Series of Bond Anticipation Notes pursuant to the Indenture, plus interest to accrue on such Series of Bond Anticipation Notes after the estimated completion date for up to one Year (or such different period as may then be permitted by law).

(ii) The payment of the interest on Bond Anticipation Notes shall be on a parity with the lien and charge created in the Indenture for the payment of the Bonds. The payment of the Principal on Bond Anticipation Notes shall be payable solely from the proceeds of Bonds or amounts on deposit in a fund which is subordinate to the Bond Fund, and the Supplemental Indenture pursuant to which any Series of Bond Anticipation Notes is issued shall so provide. Each Bond Anticipation Note shall state on its face that the payment of Principal thereof is so subordinated.

(iii) No Bond Anticipation Note shall mature later than five years from its date, including all refundings thereof by Bond Anticipation Notes (whether such refundings occur by reason of exchanges of Bond Anticipation Notes or by reason of payment of such Bond Anticipation Notes from refunding Bond Anticipation Notes, or otherwise).

(c) Each Series of Bond Anticipation Notes shall be authorized and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Indenture) a written certificate of the Issuer, dated as of the date of such delivery, that contains the following:

(i) The then estimated completion date and estimated Cost of Construction of the Project being financed by such Series of Bond Anticipation Notes;

(ii) A statement that, upon the authentication and delivery of the Bond Anticipation Notes of such Series, no Event of Default has occurred and is then continuing under the Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture; and

(iii) A statement that the issuance of such Series of Bond Anticipation Notes complies with the requirements of the Indenture.

Covenant against Creating or Permitting Liens. Except for the pledge of Net Revenues to secure payment of the Bonds and Repayment Obligations under the Indenture, 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 in the Indenture 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.

Special Funds and Accounts

Use of Acquisition/Construction Fund.

(a) So long as no Event of Default shall 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 attached to the Indenture, 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 due and owing and constitutes a Cost of a Project based upon 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 ninety (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 the Indenture 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 the Indenture, 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 redeem the Series of Bonds issued to finance such Project or to be used for such other purpose or purposes as approved by bond counsel.

(g) The Trustee may, to the extent there are no other monies held under the Indenture, use any moneys in the Acquisition/Construction Fund to pay Principal and interest on the Bonds at any time upon the occurrence of an Event of Default.
Application of Revenues

(a) Unless otherwise provided in the Indenture, 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, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, i.e., from the Net Revenues, the Issuer shall, at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for and deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next due, the Issuer need not transfer moneys to the Trustee to pay interest on the Bonds); plus

(ii) the Principal and premium, if any, falling due on the next succeeding Interest Payment Date established for the Bonds; plus

(iii) the Sinking Fund Installment, if any, falling due on the next succeeding 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 Interest Payment Date as the same become due and payable.

(d) As a third charge and lien on the Net Revenues (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 account(s) in the Debt Service Reserve Fund any amounts required by the Indenture 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 in the Indenture and in any Supplemental Indenture and (B) if moneys 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, moneys 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 the Indenture) of remaining Net Revenues if less than the full amount necessary; and

(ii) Equally and ratably to the account(s) of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect, such amount or a ratable portion (based on the amount to be transferred pursuant to paragraph (d)(i) above) if less than the full amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, 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, the Issuer shall deposit in the Repair and Replacement Fund any amount required by the Indenture 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 from time to time, the Issuer shall deposit to the Repair and Replacement Fund from the Revenue Fund
all remaining Net Revenues of the System after payments required by the Indenture have been made until there is on
deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement.
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) The foregoing provisions set forth in the Indenture may be revised by a Supplemental Indenture for
any Series of Bonds having other than semiannual Interest Payment Dates.

(g) The Net Revenues remaining after the foregoing deposits and transfers and not required to be used
for remedying any deficiencies in payments previously made into the funds established in the Indenture, may be used
at any time for any of the following:

(i) redemption of Bonds;

(ii) refinancing, refunding, or advance refunding of any Bonds;

(iii) deposit to the Rate Stabilization Fund; or

(iv) any other lawful purpose.

Use of Bond Fund.

(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 the Indenture;

(iii) any amount in the Acquisition/Construction Fund to the extent required by or directed
pursuant to the Indenture 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 the Indenture; and

(v) all other moneys received by the Trustee under the Indenture 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 the Indenture and as elsewhere provided in the Indenture 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 Interest Payment Date, the amount required to pay the Principal
Installment due on such 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 by the Indenture 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 under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture 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 under the Indenture 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.

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.

Use of Debt Service Reserve Fund. Except as otherwise provided in the Indenture 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 of (a) and (b) thereof, (i) deposited from available Net Revenues over the period of time specified therein, or (ii) 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 of the Indenture, the Issuer is required, pursuant to the Indenture 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 moneys 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 a Reserve Instrument applicable to such Series is in effect, the Trustee shall immediately make a demand for payment on such Reserve Instrument, to the maximum extent authorized by such Reserve Instrument, 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 the Indenture.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds is 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 excludability from gross income for federal income tax purposes of interest payable on the Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required by the Indenture 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.

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.

Moneys shall be deposited at least semi-annually from available Net Revenues 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 Reserve Replacement Requirement. Any deficiencies below the Repair and Reserve Replacement Requirement shall be made up from Net Revenues of the System available for such purposes. Moneys 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 maintained in the Repair and Replacement Fund or may be used by the Issuer for any lawful purpose.

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 the 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. If 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, 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 Rebateable Arbitrage 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 Rebateable Arbitrage, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Rebateable Arbitrage from the funds and accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the Rebateable Arbitrage 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 Rebateable Arbitrage over to the United States. The determination of Rebateable 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 the Indenture 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 the Indenture.

(d) The Trustee shall, at least sixty (60) days prior to each Rebate Calculation Date, notify the Issuer of the requirements of the Indenture. 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 in the Indenture 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 for federal income tax purposes of interest payable on the Bonds.

Use of Rate Stabilization Fund. The Rate Stabilization Fund may be funded by the Issuer from Revenues of the System transferred from the Revenue Fund as provided in the Indenture. 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 Moneys (as described in the definition thereof). Except for amounts designated as provided in the immediately preceding sentence (for the Bond Fund Year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the Issuer for any lawful purpose and to the extent that amounts on deposit in the Revenue Fund are insufficient in any Bond Fund Year to fund all obligations set forth in Sections 4.2(b), 4.2(c), 4.2(d) and 4.2(e) during that Bond Fund Year, the Issuer covenants to transfer moneys from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency.

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 authorization of the Issuer, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund, the Reserve Instrument Fund and Debt Service Reserve Fund may only be invested in Qualified Investments having a maturity date of 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 provided in the Indenture. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with the Indenture.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of the Indenture. 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 law, 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 under the Indenture.

The Issuer may invest the amounts on deposit in the Revenue Fund, the Repair and Replacement Fund, and the Rate Stabilization 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 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, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

Trust Funds. All moneys and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms of the Indenture 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 of the Indenture. Except as provided otherwise in the Indenture, unless and until disbursed pursuant to the terms of the Indenture, 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, all Repayment Obligations and the fees and expenses of the Trustee payable under the Indenture.

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.

General Covenants

General Covenants. The Issuer by the Indenture covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture, 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 including connection fees, for all services supplied by the System to the Issuer and to its inhabitants and to all customers 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 of 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 in the time, rate, and manner specified in the Indenture, provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. The Issuer agrees that should its annual financial statement made in accordance with the provisions of the Indenture disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer 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 insofar as is practicable and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues as required in the Indenture.
(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 of the Indenture and of any applicable Security Instrument Agreement and 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 in the Indenture, 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.

(e) There shall be no free water or sewer service, and such rates shall be charged against all users of the System, including the Issuer.

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

First Lien 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 first 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 by the Indenture, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected by the Indenture to the Registered Owners of the Bonds and to the Security Instrument Issuers.

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 under the Indenture, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning of the Indenture 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 under the Indenture or the income from the temporary investment thereof), which Net Revenues are by the Indenture specifically pledged and assigned to the payment thereof in the manner and to the extent specified in the Indenture, and nothing in the Bonds, the 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.

Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Indenture 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 by the Indenture and to execute the Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of the 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.

List of Bondholders. The Trustee will keep on file at its Principal Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered in the Register in the hands of the Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Registrar, 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 the Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

Tax Exemption of Bonds. 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 excludable from gross income for federal income tax purposes under laws in force at the time the bonds are delivered. Bonds issued pursuant to the Indenture, the interest on which is excludable from gross income for federal income tax purposes, are referred to in the Indenture 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 under the Indenture 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 adversely affect the excludability of the interest on any Bonds from gross income for federal income tax purposes.

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 the Code and the Regulations promulgated or proposed thereunder. 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 under the Indenture to become includable in gross income for federal income tax purposes, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax-exempt Bonds to become includable in gross income for purposes of federal income taxation and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the excludability from gross income for federal income tax purposes of interest payable on the Bonds.

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.

Use of Legally Available Moneys. Notwithstanding any other provisions of the Indenture, nothing in the Indenture shall be construed to prevent the Issuer from (i) paying all or any part of the Operation and Maintenance Expenses from any moneys available to the Issuer for such purpose, (ii) depositing any moneys 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 of the Indenture or for the redemption of any such Bonds or for the payment of any Security Instrument Repayment Obligations, or (iii) depositing any moneys 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.

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 (i) which shall have been replaced by other property of at least equal value, (ii) which shall cease to be necessary for the efficient operation of the System and the disposition of which will not, as determined by the Governing Body of the Issuer, result in a material reduction in Net Revenues in any Year; or (iii) the value, as determined by the Governing Body of the Issuer, of the property to be sold, leased, abandoned, mortgaged, or otherwise disposed of (together with any other property similarly disposed of within the Year immediately preceding the proposed disposition) does not exceed 5% of the value of the assets of the System, as determined by the Governing Body of the Issuer; provided, however, that in the event of any sale as aforesaid, the proceeds of such sale not needed to acquire other property of the System 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.

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 by the Indenture agrees that if any bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all service to the user concerned to be cut off immediately.

Default Provisions

Events of Default. Each of the following events is by the Indenture 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 under the Indenture or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations under the Indenture; 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 thirty (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 sixty (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 thirty (30) days from the date of assumption of such custody or control; or

(i) if the Issuer shall fail to perform any other of the covenants, conditions, agreements, and provisions contained in the Bonds, or in the Indenture or any Supplemental Indenture of the Indenture on the part of the Issuer to be performed, other than as set forth in the Indenture, and such failure shall continue for thirty (30) days after written notice specifying such failure 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 under the Indenture; or

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

Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to the Indenture, 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 any Outstanding Bonds or to enforce any obligations of the Issuer under the Indenture.

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 the Bonds then 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 the Bonds then Outstanding, and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this section 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 of the Indenture 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 under the Indenture, 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.

Right of Registered Owners to Direct Proceedings. Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of not less than 50% 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 the Bonds then 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 the Bonds then 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 of the Indenture, or for the
appnontment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture 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, 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 of the Indenture), 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 the Indenture, 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 moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other 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 Outstanding Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Rights and Remedies of Registered Owners. Except as provided in the last sentence of this section, 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 of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture, or of which by said Indenture it is deemed to have notice, nor unless also Registered Owners of not less than 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 the Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture 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 the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are by the Indenture declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; 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 of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture 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 in the Indenture 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 under the Indenture held by such Registered Owner and Security Instrument Repayment Obligations expressed.

Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture 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 under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default. Subject to the Indenture, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default under the Indenture and its consequences and shall do so upon the written request of (a) the Registered Owners of not less than 50% 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 the Bonds then Outstanding in respect of which an Event of Default in the payment of Principal and interest exist, or (b) not less than 50% 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 the Bonds then 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 under the Indenture, respectively,
but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Trustee Provisions

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 under the Indenture 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 provided in the Indenture. 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 the Indenture will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Trustee’s Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees, or agents, may in good faith buy, sell, own, hold, and deal in any of the Bonds issued under the Indenture and secured by the 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 the Indenture.

Supplemental Indentures

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 Supplemental Indentures, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) To provide for the issuance of Initial Bonds, Construction Bonds, Refunding Bonds, and Bond Anticipation Notes in accordance with the provisions of the Indenture;

(b) To cure any ambiguity or formal defect or omission in the Indenture;

(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 them and which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without their consent;

(d) To subject to the Indenture 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 the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuer 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 (i) to establish or maintain the excludability from gross income for federal income tax purposes of interest payable on the Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service thereof or of regulations proposed or promulgated thereunder, or (ii) 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 under the Indenture to the United States of America;
(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 excludability from gross income for federal income tax purposes of interest payable on the Bonds (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 in the Indenture to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references in the Indenture are correct.

Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered above and subject to the terms and provisions contained in the Indenture, and not otherwise, the Registered Owners of not less than 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of Supplemental Indentures 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 in the Indenture or in any other 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 of the Indenture or of any Supplemental Indenture; provided, however, that nothing in the Indenture 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 under the Indenture applicable to any Bonds without the consent of the Registered Owners of Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of the 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 Bonds then Outstanding which would be affected by the action to be taken. In addition, no Supplemental Indenture 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 the Indenture, neither the 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.

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 of the Indenture, 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 by the Indenture granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, 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 of the Indenture, 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 the Indenture 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 in the Indenture, 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 under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Direct Obligations.

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

(b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to the provisions of the Indenture; and

(c) if the Bonds to be redeemed will not be redeemed within ninety (90) days of such deposit, directing the Trustee to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by the Indenture has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture 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 the Indenture may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as set forth in the Indenture, and all income from all Direct Obligations in the hands of the Trustee pursuant to the Indenture 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.

No such deposit under the Indenture shall be made or accepted under the Indenture and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of the Code or the Regulations proposed or promulgated thereunder.

Notwithstanding any provision of the Indenture which may be contrary to the provisions above, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of the Indenture 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 the Indenture to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Registered Owner of each Bond affected thereby.
APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING
THE CITY AND SALT LAKE COUNTY

THE CITY

City Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Estimate</td>
<td>33,035</td>
<td>1.5%</td>
</tr>
<tr>
<td>2015 Estimate</td>
<td>32,548</td>
<td>2.7</td>
</tr>
<tr>
<td>2014 Estimate</td>
<td>31,695</td>
<td>2.9</td>
</tr>
<tr>
<td>2013 Estimate</td>
<td>30,814</td>
<td>1.8</td>
</tr>
<tr>
<td>2012 Estimate</td>
<td>30,283</td>
<td>5.6</td>
</tr>
<tr>
<td>2011 Estimate</td>
<td>28,671</td>
<td>2.5</td>
</tr>
<tr>
<td>2010 Census</td>
<td>27,964</td>
<td>–</td>
</tr>
</tbody>
</table>

Note: The 2010 Census is as of April 1, 2010; the annual population estimates are as of July 1 of the year given. (Source: U.S. Census Bureau.)

Construction Activity in the City

The following table summarizes the value of permit authorized construction for the City for the years shown for both residential and commercial construction.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>2017*</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Dwelling Units</td>
<td></td>
<td>61</td>
<td>207</td>
<td>229</td>
<td>365</td>
</tr>
<tr>
<td>New Residential Value ($000)</td>
<td>11,334.3</td>
<td>41,168.3</td>
<td>38,650.8</td>
<td>55,286.4</td>
<td>66,219.5</td>
</tr>
<tr>
<td>New Nonresidential Value ($000)</td>
<td>734.9</td>
<td>6,048.2</td>
<td>129,869.2</td>
<td>11,966.0</td>
<td>32,832.2</td>
</tr>
<tr>
<td>Additions/Alterations/Repairs Residential Value ($000)</td>
<td>3,638.6</td>
<td>5,688.4</td>
<td>1,987.6</td>
<td>1,454.2</td>
<td>476.0</td>
</tr>
<tr>
<td>Additions/Alterations/Repairs Nonresidential Value ($000)</td>
<td>16,870.5</td>
<td>25,322.6</td>
<td>7,105.2</td>
<td>42,270.7</td>
<td>3,897.4</td>
</tr>
<tr>
<td>Total Construction ($000)</td>
<td>32,578.3</td>
<td>78,227.5</td>
<td>177,612.8</td>
<td>110,977.3</td>
<td>103,425.1</td>
</tr>
</tbody>
</table>

* Preliminary; subject to change. (Source: University of Utah Bureau of Economic and Business Research.)
SALT LAKE COUNTY

The following demographic information is provided solely as background information regarding Salt Lake County (the “County”). The County is the economic and population center of the State. Based on 2010 Census data, the County has approximately 37% of the total population of the State. The State capital, Salt Lake City, is located in the County.

County and State Population

<table>
<thead>
<tr>
<th>Year</th>
<th>County</th>
<th>% Change</th>
<th>State</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Estimate</td>
<td>1,121,354</td>
<td>1.51%</td>
<td>3,051,217</td>
<td>2.03%</td>
</tr>
<tr>
<td>2015 Estimate</td>
<td>1,104,622</td>
<td>1.21</td>
<td>2,990,632</td>
<td>1.66</td>
</tr>
<tr>
<td>2014 Estimate</td>
<td>1,091,389</td>
<td>0.98</td>
<td>2,941,836</td>
<td>1.35</td>
</tr>
<tr>
<td>2013 Estimate</td>
<td>1,080,761</td>
<td>1.53</td>
<td>2,902,663</td>
<td>1.64</td>
</tr>
<tr>
<td>2012 Estimate</td>
<td>1,064,462</td>
<td>1.52</td>
<td>2,855,782</td>
<td>1.41</td>
</tr>
<tr>
<td>2011 Estimate</td>
<td>1,048,534</td>
<td>1.83</td>
<td>2,816,124</td>
<td>1.89</td>
</tr>
<tr>
<td>2010 Census</td>
<td>1,029,655</td>
<td>–</td>
<td>2,763,885</td>
<td>–</td>
</tr>
</tbody>
</table>

Rate of Unemployment – Annual Average

<table>
<thead>
<tr>
<th>Year</th>
<th>County</th>
<th>State</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017*</td>
<td>3.1%*</td>
<td>3.2%*</td>
<td>4.1%*</td>
</tr>
<tr>
<td>2016</td>
<td>3.2</td>
<td>3.4</td>
<td>4.9</td>
</tr>
<tr>
<td>2015</td>
<td>3.3</td>
<td>3.5</td>
<td>5.3</td>
</tr>
<tr>
<td>2014</td>
<td>3.7</td>
<td>3.8</td>
<td>6.2</td>
</tr>
<tr>
<td>2013</td>
<td>4.2</td>
<td>4.6</td>
<td>7.4</td>
</tr>
</tbody>
</table>

*Preliminary; subject to change. Seasonally adjusted rate as of November 2017.
(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)
**Economic Indicators in the County**

**LABOR FORCE (1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Force (annual average)</td>
<td>605,535</td>
<td>587,026</td>
<td>577,159</td>
<td>571,160</td>
<td>557,101</td>
</tr>
<tr>
<td>Employed (annual average)</td>
<td>586,393</td>
<td>567,497</td>
<td>555,908</td>
<td>546,034</td>
<td>527,698</td>
</tr>
<tr>
<td>Unemployed (annual average)</td>
<td>19,142</td>
<td>19,529</td>
<td>21,251</td>
<td>25,126</td>
<td>29,403</td>
</tr>
<tr>
<td>Average Employment (Non-Farm Jobs)</td>
<td>684,445</td>
<td>661,271</td>
<td>639,511</td>
<td>624,309</td>
<td>603,919</td>
</tr>
<tr>
<td>% Change Prior Year</td>
<td>3.50</td>
<td>3.41</td>
<td>2.44</td>
<td>3.38</td>
<td>3.59</td>
</tr>
</tbody>
</table>

**Average Employment by Sector:**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing &amp; Hunting</td>
<td>214</td>
<td>192</td>
<td>179</td>
<td>194</td>
<td>213</td>
</tr>
<tr>
<td>Mining</td>
<td>2,428</td>
<td>2,694</td>
<td>2,948</td>
<td>3,399</td>
<td>3,652</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,578</td>
<td>2,697</td>
<td>2,617</td>
<td>2,593</td>
<td>2,716</td>
</tr>
<tr>
<td>Construction</td>
<td>35,996</td>
<td>33,658</td>
<td>31,831</td>
<td>30,814</td>
<td>30,727</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>54,544</td>
<td>53,451</td>
<td>52,521</td>
<td>52,616</td>
<td>52,554</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>32,050</td>
<td>31,417</td>
<td>30,538</td>
<td>30,758</td>
<td>31,158</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>72,078</td>
<td>69,695</td>
<td>67,572</td>
<td>66,700</td>
<td>64,437</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>38,710</td>
<td>37,123</td>
<td>34,653</td>
<td>33,991</td>
<td>33,179</td>
</tr>
<tr>
<td>Information</td>
<td>19,234</td>
<td>18,323</td>
<td>18,462</td>
<td>18,265</td>
<td>17,761</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>45,848</td>
<td>43,847</td>
<td>41,489</td>
<td>40,114</td>
<td>38,151</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>10,250</td>
<td>9,844</td>
<td>9,609</td>
<td>9,294</td>
<td>9,166</td>
</tr>
<tr>
<td>Professional, Scientific &amp; Technical Services</td>
<td>51,753</td>
<td>49,457</td>
<td>46,814</td>
<td>44,135</td>
<td>40,811</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>16,263</td>
<td>16,622</td>
<td>16,559</td>
<td>16,319</td>
<td>16,101</td>
</tr>
<tr>
<td>Administrative, Support, Waste</td>
<td>52,921</td>
<td>50,610</td>
<td>48,470</td>
<td>46,631</td>
<td>43,587</td>
</tr>
<tr>
<td>Management, &amp; Remediation</td>
<td>62,976</td>
<td>60,809</td>
<td>59,412</td>
<td>56,651</td>
<td>53,899</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>76,892</td>
<td>73,783</td>
<td>71,319</td>
<td>70,073</td>
<td>67,351</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>9,995</td>
<td>8,847</td>
<td>8,522</td>
<td>8,085</td>
<td>7,848</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>48,772</td>
<td>47,810</td>
<td>46,218</td>
<td>44,774</td>
<td>42,524</td>
</tr>
<tr>
<td>Other Services and Unclassified Establishments</td>
<td>21,303</td>
<td>21,049</td>
<td>20,331</td>
<td>19,568</td>
<td>18,754</td>
</tr>
<tr>
<td>Public Administration</td>
<td>29,856</td>
<td>29,539</td>
<td>29,630</td>
<td>29,532</td>
<td>29,540</td>
</tr>
<tr>
<td>Total Establishments</td>
<td>42,765</td>
<td>41,512</td>
<td>40,022</td>
<td>38,702</td>
<td>36,826</td>
</tr>
<tr>
<td>Total Wages ($Millions)</td>
<td>34,588.9</td>
<td>32,692.7</td>
<td>30,472.0</td>
<td>28,858.2</td>
<td>27,727.6</td>
</tr>
</tbody>
</table>

**INCOME AND WAGES**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Personal Income ($000) (2)</td>
<td>$52,436,840</td>
<td>$49,871,735</td>
<td>$46,652,307</td>
<td>$44,302,371</td>
<td>$43,101,775</td>
</tr>
<tr>
<td>Per Capita Income (2)</td>
<td>46,762</td>
<td>45,148</td>
<td>42,746</td>
<td>40,992</td>
<td>40,492</td>
</tr>
<tr>
<td>Median Household Income (2)</td>
<td>n/a</td>
<td>65,549</td>
<td>62,536</td>
<td>61,716</td>
<td>59,626</td>
</tr>
<tr>
<td>Average Monthly Nonfarm Wage (1)</td>
<td>$4,211</td>
<td>$4,120</td>
<td>$3,971</td>
<td>$3,852</td>
<td>$3,826</td>
</tr>
</tbody>
</table>

**SALES & CONSTRUCTION**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Taxable Sales ($000,000) (3)</td>
<td>$25,415.5</td>
<td>$24,256.5</td>
<td>$22,941.0</td>
<td>$21,986.1</td>
<td>$21,387.8</td>
</tr>
<tr>
<td>New Dwelling Units (4)</td>
<td>8,328</td>
<td>6,077</td>
<td>6,529</td>
<td>5,153</td>
<td>2,934</td>
</tr>
<tr>
<td>Total Construction Value ($000) (4)</td>
<td>3,266,939.5</td>
<td>2,222,893.3</td>
<td>2,029,610.8</td>
<td>1,596,248.3</td>
<td>1,589,473.7</td>
</tr>
<tr>
<td>New Residential Value ($000) (4)</td>
<td>1,406,216.3</td>
<td>1,171,161.9</td>
<td>994,854.6</td>
<td>901,376.4</td>
<td>634,610.4</td>
</tr>
<tr>
<td>New Nonresidential Value ($000) (4)</td>
<td>803,698.8</td>
<td>603,068.7</td>
<td>518,005.1</td>
<td>423,440.4</td>
<td>608,594.1</td>
</tr>
</tbody>
</table>

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated November 17, 2016; (3) Utah State Tax Commission; (4) University of Utah Bureau of Economic and Business Research; Total Construction Value includes additions/alterations/repairs.)
## Major Employers in the County

The following is a list of some of the largest employers in the County with 2,000 employees and above.

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry</th>
<th>Employment Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Utah</td>
<td>Colleges, Universities, and Professional Schools</td>
<td>20,000+</td>
</tr>
<tr>
<td>Intermountain Health Care</td>
<td>Management of Companies and Enterprises</td>
<td>15,000-19,999</td>
</tr>
<tr>
<td>State of Utah</td>
<td>Executive, Legislative, and Other General</td>
<td>10,000-14,999</td>
</tr>
<tr>
<td></td>
<td>Government Support</td>
<td></td>
</tr>
<tr>
<td>Granite School District</td>
<td>Elementary and Secondary Schools</td>
<td>7,000-9,999</td>
</tr>
<tr>
<td>Jordan School District</td>
<td>Elementary and Secondary Schools</td>
<td>5,000-6,999</td>
</tr>
<tr>
<td>Salt Lake County</td>
<td>Executive, Legislative, and Other General</td>
<td>5,000-6,999</td>
</tr>
<tr>
<td></td>
<td>Government Support</td>
<td></td>
</tr>
<tr>
<td>Wal-Mart</td>
<td>Management of Companies and Enterprises</td>
<td>4,000-4,999</td>
</tr>
<tr>
<td>Canyons School District</td>
<td>Elementary and Secondary Schools</td>
<td>4,000-4,999</td>
</tr>
<tr>
<td>Delta Airlines</td>
<td>Scheduled Air Transportation</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>Smiths Marketplace</td>
<td>Other General Merchandise Stores</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>Discover Products</td>
<td>Nondepository Credit Intermediation</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>U.S. Postal Service</td>
<td>Postal Service</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>Salt Lake City School District</td>
<td>Elementary and Secondary Schools</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>Zions Bank Management Services</td>
<td>Depository Credit Intermediation</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>C.R. England</td>
<td>Specialized Freight Trucking</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>L-3 Communications</td>
<td>Navigational, Measuring, Electromedical, and</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>Corporation</td>
<td>Control Instruments Manufacturing</td>
<td></td>
</tr>
<tr>
<td>Department of Veterans Affairs</td>
<td>General Medical and Surgical Hospitals</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>Salt Lake City Parks</td>
<td>Other Amusement and Recreation Industries</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>ARUP Laboratories</td>
<td>Medical and Diagnostic Laboratories</td>
<td>3,000-3,999</td>
</tr>
<tr>
<td>Salt Lake Community College</td>
<td>Junior Colleges</td>
<td>2,000-2,999</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>Depository Credit Intermediation</td>
<td>2,000-2,999</td>
</tr>
<tr>
<td>JetBlue Airways Corporation</td>
<td>Travel Arrangement and Reservation Services</td>
<td>2,000-2,999</td>
</tr>
<tr>
<td>Dental Select</td>
<td>Insurance Carriers</td>
<td>2,000-2,999</td>
</tr>
<tr>
<td>Harmons</td>
<td>Grocery Stores</td>
<td>2,000-2,999</td>
</tr>
<tr>
<td>Skywest Airlines</td>
<td>Scheduled Air Transportation</td>
<td>2,000-2,999</td>
</tr>
<tr>
<td>Utah Transit Authority</td>
<td>Urban Transit Systems</td>
<td>2,000-2,999</td>
</tr>
</tbody>
</table>

(Source: Utah Department of Workforce Services; as of August 2017.)
APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”), executed by Midvale City, Utah (the “City”), in connection with the issuance of the City’s $__________ aggregate principal amount of Water, Sewer, and Storm Water Revenue [and Refunding] Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued pursuant to a General Indenture of Trust dated as of April 1, 2007 (the “General Indenture”) as previously supplemented, and an Eighth Supplemental Indenture of Trust dated as of April 1, 2018 (the “Eighth Supplemental Indenture” and together with the General Indenture, the “Indenture”) each between the Issuer and ZB National Association, dba Zions Bank, as trustee. The City hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined Rule. In connection with the aforementioned transactions, the City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Series 2018 Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report of the City” means the Annual Report of the City provided by the City pursuant to, and as described in Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bonds (including persons holding Series 2018 Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the City, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500, and the website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).


“Participating Underwriter” shall mean George K. Baum & Company, as original underwriter of the Series 2018 Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than one hundred eighty (180) days after the end of each fiscal year of the City (presently June 30), commencing with the fiscal year ended June 30, 2018, provide to the MSRB in electronic format an Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) business days prior to said date, the City shall provide the Annual Report of the City to the Dissemination Agent. In each case, the Annual Report of the City may be submitted as a single document or as separate documents.
comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(e).

(b) If by fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent shall contact the City to determine if the City is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the City has been provided to the MSRB by the dates required in subsections (a) and (b), the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the website address to which the MSRB directs the annual reports to be submitted; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. The Annual Report of the City shall contain or incorporate by reference the following:

(i) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accounts. If the City’s audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the City and audited financial statements will be provided when and if available.

(ii) An update of the financial and operating information in the Official Statement relating to the City of the type contained in the tables under the heading: “THE SYSTEM—The Sewer Facilities—Service Connections,” “—Major Users of the Sewer Facilities,” “THE SYSTEM—The Water Facilities—Water Connections,” “—Major Water Users,” and “HISTORICAL OPERATIONS AND PRO FORMA DEBT SERVICE COVERAGE.”

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, as appropriate, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City, as appropriate, shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds or other material events affecting the tax status of the Series 2018 Bonds;

(vi) Defeasances;

(vii) Tender offers;

(viii) Bankruptcy, insolvency, receivership or similar proceedings; or

(ix) Rating changes.

(b) Pursuant to the provisions of this Section 5(b), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2018 Bonds in a timely manner not more than ten (10) business days after the Listed Event, if material:

(i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

(ii) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent;

(iii) Non-payment related defaults;

(iv) Modifications to the rights of the owners of the Series 2018 Bonds;

(v) Series 2018 Bond calls; or

(vi) Release, substitution or sale of property securing repayment of the Series 2018 Bonds.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event under Section 5(b), whether because of a notice from the Trustee or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City has determined that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the City determines that the Listed Event under Section 5(b) would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2018 Bonds. If such termination occurs prior to the final maturity of the Series 2018 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such
Dissemination Agent, with or without appointing a successor Dissemination Agent. The City will serve as the initial Dissemination Agent under this Disclosure Undertaking.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an “obligated person” (as defined in the Rule) with respect to the Series 2018 Bonds, or the type of business conducted;

(b) The Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2018 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2018 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2018 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the City shall describe such amendment in the next Annual Report of the City, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report of the City for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Series 2018 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an “event of default” under the Indenture, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2018 Bonds.
Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2018 Bonds, and shall create no rights in any other person or entity.

Dated as ______________, 2018.

MIDVALE CITY, UTAH

(SEAL)

By:__________________________________________

Mayor

ATTEST:

By: __________________________________________

City Recorder
APPENDIX E
FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2018 Bonds, Gilmore & Bell, P.C., Bond Counsel, proposes to issue its approving opinion in substantially the following form:

We have acted as bond counsel for Midvale City, Utah (the “Issuer”) in connection with the issuance by the Issuer of ______________ Water, Sewer, and Storm Water Revenue [and Refunding] Bonds, Series 2018 (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued pursuant to (i) a resolution of the Issuer adopted on February 20, 2018; (ii) 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]; and (iii) a General Indenture of Trust dated as of April 1, 2007, as heretofore supplemented (the “General Indenture”) and as further supplemented by an Eighth Supplemental Indenture of Trust dated as of April 1, 2018 (the “Eighth Supplemental Indenture” and, collectively, with the General Indenture, the “Indenture”) each between the Issuer and ZB, National Association, dba Zions Bank, as trustee. The Series 2018 Bonds are being issued to (i) [finance improvements to the City’s water, sewer, and storm water facilities] and (ii) pay costs associated with the issuance of the Series 2018 Bonds.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Indenture has been authorized, executed and delivered by the Issuer, constitutes a valid and binding obligation of the Issuer and creates a valid lien on the Net Revenues (as defined in the Indenture) and the other amounts pledged thereunder for the security of the Series 2018 Bonds.

2. The Series 2018 Bonds are valid and binding special obligations of the Issuer payable solely from the Net Revenues and other amounts pledged therefor in the Indenture, and the Series 2018 Bonds do not constitute a general obligation indebtedness of the Issuer within the meaning of any State of Utah constitutional provision or statutory limitation, nor a charge against the full faith and credit or taxing power of the Issuer.

3. The interest on the Series 2018 Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2018 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2018 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2018 Bonds.

4. The interest on the Series 2018 Bonds is exempt from State of Utah individual income taxes.

We express no opinion herein regarding the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Series 2018 Bonds.

The rights of the holders of the Series 2018 Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent
applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,
APPENDIX F

PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds are to be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate is to be issued for each series of the Series 2018 Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. Neither the City nor the Underwriter makes any representation about such information. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2018 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain
that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2018 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Direct or Indirect Participants to Beneficial Owners are to be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Direct or Indirect Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2018 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.
SUBJECT: Proposed Amendments to the Midvale Bulky Waste contract with Ace Disposal

SUBMITTED BY: Larry Wright – Public Works Director

SUMMARY:
On Tuesday, January 9, 2018, the City Council discussed an amendment to the “Residential Solid Waste Collection and Disposal Contract” with ACE Disposal. The amendment would discontinue the spring/fall bulk waste clean-up program and move to a monthly bulk waste pickup. This change would benefit the citizens by allowing them to dispose of larger bulky items each month instead of storing it for up to six months waiting for pickup. This change also benefits the City by keeping it cleaner, avoiding filling the gutters with debris left to wash into the storm drains, and giving an overall better vision of Midvale by not having piles of bulky waste left in the streets two months each year. This system would also incorporate the leaf bag program and a Christmas tree pickup.

FISCAL IMPACT: $5,000 for FY 2018. $43,300 per year for future fiscal years.

STAFF’S RECOMMENDATION AND MOTION: I move that we approve Resolution No. 2018-R-09 Authorizing the Mayor to enter into an amended agreement with Ace Disposal for the Bulky Waste Program

Attachments: Proposed Resolution Agreement
A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AMENDED CONTRACT WITH ACE DISPOSAL FOR THE BULKY WASTE PROGRAM

WHEREAS, on March 24, 2010, the City Council entered into a Residential Solid Waste Collection and Disposal contract with ACE Disposal; and

WHEREAS, a necessary component of the contract is to provide a Spring/Fall Cleanup program to the residents of Midvale City; and

WHEREAS, the City Council desires to amend the contract to change the Spring/Fall Clean-up program to a once a month Bulk Pick-up service for the remainder of the contract; and

WHEREAS, the City Council feels the proposed amendment is in the best interest of the residents of Midvale City,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MIDVALE CITY, UTAH:

Section 1. The Midvale City Council hereby authorizes the Mayor to enter into an Amended Contract with Ace Disposal changing the Spring/Fall Clean-up program to providing for a once a month Bulk Pick-up service (Exhibit A).

Section 2. This Resolution shall take effect immediately.

APPROVED AND ADOPTED this 20th day of February 2018.

__________________________
Robert M. Hale, Mayor

ATTEST:

Rori L. Andreason, MMC
City Recorder

Voting by the Council: “Aye” “Nay”
Quinn Sperry ________ ________
Paul Glover ________ ________
Paul Hunt ________ ________
Dustin Gettel ________ ________
Bryant Brown ________ ________
MIDVALE CITY

AMENDMENT TO RESIDENTIAL SOLID WASTE COLLECTION
AND DISPOSAL CONTRACT

This document constitutes an Amendment (“Amendment”) to the Residential Solid Waste Collection and Disposal Contract entered on March 24, 2010 (“Contract), and Addendum No. 1 to Residential Solid Waste Collection and Disposal Contract entered on June 18, 2013 (“Addendum”), between Midvale City ("Midvale") and ACE Disposal, Inc. ("ACE").

RECITALS

WHEREAS, in 2010, ACE was awarded the contract to provide residential solid waste collection to Midvale; and

WHEREAS, a necessary component of said agreement is to provide a Spring/Fall Clean-Up program to the residents of Midvale; and

WHEREAS, the purpose of this Amendment is to change the Spring/Fall Clean-Up program to a once a month Bulk Pick-Up service for the remainder of the contract; and

WHEREAS, the Amendment will benefit the residents of Midvale.

IT IS AGREED by and between the parties as follows:

1. This Amendment will take effect on April 1, 2018.

2. Attachment 6 of the Contract and is amended to read as follows:

   Regular Waste Collection & Disposal (1st container)   $ 5.76/month
   Second Container       $ 4.11/month
   Bulky Waste Monthly Program, including Green Leaf Bag and Christmas Tree Pick-up(Year-round) $ 1.20/month/residence
   Neighborhood dumpster   $ 156.46 (per load)
   Green waste roll-off    $ 136.10 (per load)
   Recycling                $ 2.81/month/residence

* All charges are monthly unless specifically indicated otherwise.

3. Paragraph 1 of the Contract is amended to read as follows:

   1.  **Scope of Work.** Contractor agrees to provide monthly residential bulky waste collection throughout the City in accordance with the terms of this Agreement.

      a. Contractor shall furnish all personnel, labor, equipment, vehicles, and other items necessary to provide bulky waste collection every month. This is inclusive of the green leaf bag and Christmas tree pick-up programs.

      b. Residents shall place their bulky items on the curb on the SUNDAY before their trash day, on the THIRD full week of every month. The waste will be collected by ACE on the residents' trash day during said week.
c. ACE reserves the right to refuse collection of items placed on the curb that do not meet its collection guidelines.

d. All bulk waste collected shall be hauled by the contractor to Trans-Jordan Landfill. The City shall pay all tipping fees associated with the collection of bulk waste within Midvale City.

4. Paragraph 3 of the Contract is amended to read as follows:

3. **Compensation.** In consideration of the Contractor’s performance under this Agreement, the City agrees to pay and Contractor agrees to accept the sums identified in Attachment 6 of this Agreement. Payment will be made on active residential units during the month served as determined by the City’s billing record.

5. In the event there is any conflict between this Amendment, the Residential Solid Waste Collection and Disposal Contract, and Addendum No. 1, this Amendment will control.

DATED this 20th day of February, 2018.

MIDVALE CITY

Attest:

Robert M. Hale, Mayor

ACE DISPOSAL, INC.

By: ________________________________

It’s: ________________________________

Rori L. Andreason, MMC, City Recorder
SUBJECT: Consider Resolution No. 2018-R-10 Approving an Interlocal Agreement between the Redevelopment Agency of Midvale City, Midvale City, and Salt Lake County for Installation of a Traffic Signal at Bingham Junction Blvd. and Tuscany View Rd.

SUBMITTED BY: Annaliese Eichelberger, Redevelopment Project Manager

SUMMARY: The current intersection of Bingham Junction Blvd. and Tuscany View Road has been identified as a safety hazard for pedestrians and motorists. The City Council asked redevelopment staff to consider the possibility of installing a traffic signal at this location to mitigate for these issues. Staff has been working with Salt Lake County’s public works division over the last few months to work through the design and schedule.

The signal will be a 4-way lighted intersection with flashing yellow arrows for left-hand turns. For pedestrians this intersection will include crosswalks in all directions, as well as push button walk signals. The City will own the traffic signal once completed and the County will maintain it. Because the traffic signal will be placed on City property by the County and funded by the RDA, the Interlocal agreement will be between all three parties. The County anticipates beginning construction in March with a completion date no later than June 30, 2018.

The agreement has been prepared by the County’s legal counsel and reviewed by the City’s legal department. Staff recommends adopting the resolution and executing the agreement.

FISCAL IMPACT: The cost estimate for this project is $203,500.00 and will be funded from the Agency’s Infrastructure budget.

RECOMMENDED MOTION: I move that we adopt Resolution No. 2018-R-10 authorizing the execution of an Interlocal Agreement between Salt Lake County, the Redevelopment Agency of Midvale City and Midvale City for the Installation of a traffic signal at Bingham Junction Blvd. and Tuscany View Drive.

ATTACHMENTS: Resolution No. 2018-R-10, Interlocal Agreement
A RESOLUTION APPROVING THE INTERLOCAL AGREEMENT BETWEEN SALT LAKE COUNTY, THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND MIDVALE CITY FOR INSTALLATION OF THE TRAFFIC SIGNAL AT BINGHAM JUNCTION BLVD AND TUSCANY VIEW RD.

WHEREAS Salt Lake County (the “County”), the Redevelopment Agency of Midvale City (the “Agency”), and Midvale City (the “City”) are “public agencies” for purposes of the Act (collectively referred to as the “Parties”); and

WHEREAS, the Parties are public agencies and therefore are authorized under the Utah Interlocal Cooperation Act, Section 11-13-101, et seq., U.C.A. 1953, as amended, to enter into agreements with each other which enable them to make the most efficient use of their powers; and

WHEREAS, the City and the Agency desire to contract with the County for the installation and maintenance of a traffic signal at Bingham Junction Blvd. and Tuscany View Rd (“Site”) in Salt Lake County; and

WHEREAS, the County is willing to enter into such an agreement, and to install the traffic signal at the Site.

NOW, THEREFORE, be it resolved by the Midvale City Council that the Interlocal Cooperation agreement between the County, the City, and the Agency be accepted and approved and the Mayor of Midvale City is hereby authorized to execute the Interlocal Cooperation Agreement.
PASSED AND ADOPTED BY THE CITY COUNCIL OF MIDVALE CITY, STATE OF UTAH, this ____ day of ____________, 2018.

____________________________________
Robert M. Hale
Mayor

ATTEST:

____________________________________
Rori L. Andreason, MMC
City Recorder

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EXHIBIT B

Interlocal Agreement
INTERLOCAL COOPERATION AGREEMENT
BETWEEN
REDEVELOPMENT AGENCY OF MIDVALE CITY,
MIDVALE CITY, AND
SALT LAKE COUNTY
FOR
INSTALLATION OF TRAFFIC SIGNAL
Bingham Junction Blvd. & Tuscany View

THIS AGREEMENT ("Agreement") made pursuant to the Utah Interlocal Cooperation Act, by and between SALT LAKE COUNTY ("County"), a body corporate and politic of the state of Utah, and MIDVALE CITY ("City"), a municipal corporation created under the laws of the State of Utah, and REDEVELOPMENT AGENCY OF MIDVALE CITY ("RDA"), a Utah limited purpose local government entity. The County, the RDA, and the City may be jointly referred to as the "Parties."

WITNESSETH:

WHEREAS, the Parties are public agencies and are therefore authorized under the Utah Interlocal Cooperation Act, Section 11-13-101, et seq., U.C.A. 1953, as amended, to enter into agreements with each other which enable them to make the most efficient use of their powers; and

WHEREAS, the City and the RDA desire to contract with the County for the installation and maintenance of a traffic signal at Bingham Junction Blvd. and Tuscany View ("Site") in Salt Lake County; and

WHEREAS, the County is willing to enter into such an agreement, and to install the traffic signal at the Site.
AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the Parties agree as follows:

1. PURPOSE. The County, through its Public Works Department, Operations Division, shall be responsible for all matters pertaining to the installation of and improvements to the traffic signal located at the Site and will provide the necessary labor, equipment and materials for said installation, as set out in the Scope of Work, attached hereto as EXHIBIT A and incorporated by reference. Work shall be performed by County to existing County standards for traffic signals on County's public roads. This Agreement governs the County's above installation as set out in the Scope of Work.

2. DURATION. The term of this Agreement shall begin upon execution and shall expire on December 31, 2018.

3. OWNERSHIP. Upon installation, the traffic signal shall be owned by the City, and maintained by the County.

4. FINANCING AND PAYMENT. The RDA shall pay to County the installation costs per services rendered as set forth in EXHIBIT A. The estimated cost of completion is Two Hundred Three Thousand Five Hundred Dollars ($203,500.00). Upon completion of the services each month, the County shall send the RDA an invoice for the services which the RDA agree to pay within thirty (30) days.

Upon installation, the traffic signal shall be automatically added to Appendix A of the existing Traffic Signal Maintenance Agreement between the County and the City (County Contract No. CA0000000000273), as provided in Paragraph 8 of the Traffic Signal Maintenance Agreement. The City shall pay the County the cost of maintaining the traffic signal in accordance
with the Traffic Signal Maintenance Agreement and its subsequent amendments. All County
maintenance and inspection of the traffic signal shall be governed by the Traffic Signal
Maintenance Agreement.

5. LIABILITY. The City, the RDA, and the County are governmental entities under
the Utah Governmental Immunity Act, Utah Code Ann. 63G-7-101. Consistent with the terms of
the Act, and as provided herein, it is mutually agreed that each party is responsible and liable for
its own wrongful or negligent acts which are committed by it or by its agents, officers or
employees. Neither party waives any defenses otherwise available under the Act nor does any
party waive any limits of liability currently provided by the Act.

6. INDEMNIFICATION. Each party agrees to indemnify and hold the other
parties and their agents, officials, officers, employees, and volunteers harmless from and against
any and all actions, claims, lawsuits, proceedings, liability, damages, losses and expenses
(including attorney's fees and costs), that directly result from the performance of this Agreement,
but only to the extent the same are caused by any negligent or wrongful act or omission of the
party or its officials, officers, agents, employees, or volunteers.

7. REQUIRED INSURANCE POLICIES. Parties to this Agreement shall
maintain insurance or self-insurance coverage sufficient to meet their obligations hereunder and
consistent with applicable law.

8. TERMINATION. This agreement may be terminated (with or without cause) by
any party upon at least ninety (90) days prior written notice to the other parties. Payment shall be
made for all work performed prior to termination.

9. NOTICES. Any notice required or permitted to be given hereunder shall be
deemed sufficient if given by a communication in writing, and shall be deemed to have been
received (a) upon personal delivery or actual receipt thereof, or (b) within three days after such
notice is deposited in the United States mail, postage pre-paid, and certified and addressed as
follows:

If to Salt Lake County: Salt Lake County Public Works Operation
   Division Director
   604 West 6960 South
   Midvale, Utah 84047

If to the City: Midvale City
   Attn: City Engineer
   7505 Holden St.
   Midvale, Utah 84047

If to the RDA: RDA of Midvale City
   Attn: RDA Director
   7505 S. Holden St.
   Midvale, Utah 84047

9. **AGENCY.** No agent, employee or servant of the City, the RDA, or County is or
shall be deemed to be an employee, agent, or servant of the other Parties. None of the benefits
provided by each party to its employees including, but not limited to, worker's
compensation insurance, health insurance, and unemployment insurance, are available to the
employees, agents, or servants of the other parties. City, RDA, and County shall each be solely
and entirely responsible for its own acts and for the acts of its own agents, employees, and servants
during the performance of this Agreement. The County acts as an independent contractor, and is
not an employee or agent of the City or the RDA.

10. **FORCE MAJEURE.** No party shall be liable for any excess costs if the failure to
perform arises from causes beyond the control and without the fault or negligence of that part,
including but not limited to acts of God, fires, floods, strikes, or unusually severe weather. If such
condition continues for a period in excess of 60 days, City, RDA, or County shall have the right to
terminate this Agreement without liability or penalty effective upon written notice to the other party.

11. **NO OBLIGATIONS TO THIRD PARTIES.** The Parties agree that the County's obligations under this Agreement are solely to the RDA and the City. This Agreement shall not confer any rights to third parties.

12. **GOVERNING LAW.** The laws of the State of Utah govern all matters arising out of this Agreement.

13. **COUNTERPARTS.** This Agreement may be executed in counterparts and all so executed will constitute one agreement binding on all the Parties, it being understood that all Parties need not sign the same counterpart. Further, executed copies of this Agreement delivered by facsimile or email will be deemed an original signed copy of this Agreement.

14. **COUNTY ETHICAL STANDARDS.** The City and RDA represent that they have not: (a) provided an illegal gift or payoff to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statutes or Salt Lake County's Ethics Code, Chapter 2.07, Salt Lake County Code of Ordinances, 2001; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statutes or Salt Lake County ordinances.
15. **NO OFFICER OR EMPLOYEE INTEREST.** It is understood and agreed that no officer or employee of County has or shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof. No officer or employee of the City or the RDA or any member of their families shall serve on a County Board or Committee or hold any such position which either by rule, practice, or action nominates, recommends, or supervises the City's or RDA's operations, or authorizes funding or payment to the City or the RDA.

16. **INTERLOCAL COOPERATION ACT.** In satisfaction of the requirements of the Interlocal Act, and in connection with this Agreement, the Parties agree as follows:

(a) This Agreement shall be approved by each Party pursuant to Section 11-13-202.5 of the Interlocal Act;

(b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party, pursuant to Section 11-13-202.5 of the Interlocal Act;

(c) A duly executed original counterpart of this Agreement shall be filed with keeper of records of each Party, pursuant to Section 11-13-209 of the Interlocal Act;

(d) Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs; and

(e) No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be administered by a joint board of the public works directors of the City and the County, or their designees. No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent that a Party acquires,
holds or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.

17. ENTIRE AGREEMENT AND AMENDMENT. This agreement constitutes the entire agreement between the Parties, and no other promises or understandings, express or implied, shall be binding upon the Parties. No amendment to this agreement shall be effective unless made in writing and signed by the parties.

IN WITNESS WHEREOF, the Parties have subscribed their names hereon and caused this agreement to be duly executed on the_______ day of__________, 2018.

SALT LAKE COUNTY

By: ____________________________

Mayor or Designee

Departmental Approval:

By: ____________________________

Scott Baird, Public Works Director

Date: 1-25-18

Division Approval:

By: ____________________________

Kevyn Smeltzer, Division Director

Date: 1-25-18

Approved as to Form:

By: ____________________________

Zach Shaw, Deputy District Attorney

Date: 1-19-18

MIDVALE CITY

By: ____________________________

Robert M. Hale, Mayor

ATTEST:

By: ____________________________

Rori Andreason, City Recorder

Approved as to Form:

By: ____________________________

Lisa Garner, City Attorney

Date: ____________________________
REDEVELOPMENT AGENCY OF MIDVALE CITY

By: __________________________________________
    Robert M. Hale
    Chief Administrative Officer

ATTEST:

By: __________________________________________
    Rori Andreason, Secretary

Approved as to Form:

By: __________________________________________
    Lisa Garner, RDA Counsel
    Date: _______________________________________
EXHIBIT "A"

SCOPE OF WORK

INSTALLATION OF TRAFFIC SIGNAL at Bingham Junction Blvd. and Tuscany View to include:

- Install signal bases
- Junction boxes
- Pedestrian heads
- Traffic Signal heads
- Controller cabinet
- Powder coated poles
- Install push buttons • Install service

Location — Bingham Junction Blvd. and Tuscany View

Estimated cost: $203,500.00

Upon installation of and improvements to the signal, the signal shall be owned by the City and maintained by the County. The traffic signal will be added to the current Traffic Signal Maintenance Agreement between the parties.

Determination of signal phasing and timing shall be the responsibility of the City. Prior to the County activating the signal, the City shall approve in writing the phasing and timing of the signal. Any changes related to signal phasing, timing, or other modification of the signal shall be initiated and approved in the writing by the City's traffic engineer or other authorized engineering representative prior to the County implementing the change.