

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 5, 2025

**NEW ISSUE
Book-Entry Only**

**Ratings: S&P “AA+,” Fitch “AA+”
(See “BOND RATINGS” herein.)**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Agency, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2025A 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. The Series 2025A Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2025A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2025 Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” in this Official Statement.

MILLCREEK COMMUNITY REINVESTMENT AGENCY, UTAH

**\$20,545,000* SALES TAX AND TAX INCREMENT
REVENUE BONDS, SERIES 2025A**

**\$4,455,000* SALES TAX AND TAX INCREMENT
REVENUE BONDS, SERIES 2025B
(FEDERALLY TAXABLE)**

Dated: Date of Delivery

Due: June 1, as shown on the inside front cover

The Millcreek Community Reinvestment Agency’s Sales Tax and Tax Increment Revenue Bonds, Series 2025A (the “Series 2025A Bonds”) and Sales Tax and Tax Increment Revenue Bonds, Series 2025B (Federally Taxable) (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Series 2025 Bonds”) are issuable only as fully-registered bonds and, when initially issued will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2025 Bonds. Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form only in the principal amount of \$5,000 or any integral multiple thereof. Beneficial owners of the Series 2025 Bonds will not 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 2025 Bonds. Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025. So long as DTC or its nominee is the registered owner of the Series 2025 Bonds, payments of the principal of, premium, if any, and interest on such Series 2025 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.

The Series 2025 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity.

The Series 2025 Bonds are being issued to (i) finance the acquisition of land and certain improvements within the Agency’s Millcreek Center Community Reinvestment Area and (ii) pay costs of issuing the Series 2025 Bonds. The Series 2025 Bonds will be issued pursuant to a General Indenture of Trust, as supplemented by a First Supplemental Indenture of Trust, each dated as of August 1, 2025, between the Agency and U.S. Bank Trust Company, National Association, as trustee. The Series 2025 Bonds are special, limited obligations of the Agency payable solely from a pledge of certain sales and use tax revenues of Millcreek, Utah, made available under a Pledge Agreement dated as of August 1, 2025, between the Agency and the City, certain tax increment revenues, and certain other revenues, as described herein. The Agency has covenanted in the Indenture not to issue any additional obligations payable from Tax Increment Revenues (as hereinafter defined) on any basis that is superior to the lien on the Tax Increment Revenues in the Indenture and the City has covenanted in City Sales Tax Indenture (as hereinafter defined) not to issue any additional obligations payable from sales tax revenues that are superior to the lien with respect to the City’s obligation to pay Pledged Sales Tax Revenues (as hereinafter defined) to the Agency pursuant to the Pledge Agreement.

The Series 2025 Bonds are not general obligations or debt of the City, the State of Utah, or any other political subdivision thereof, and neither the City, except as set forth in the Pledge Agreement described herein, the State of Utah, nor any other political subdivision thereof shall be liable thereon. In no event shall the Series 2025 Bonds or the interest or premiums thereon be payable out of any funds or properties other than those of the Agency which have been pledged therefor under the Indenture. Neither the faith and credit nor the ad valorem taxing power of the City, the State of Utah, or any political subdivision thereof is pledged to the payment of the principal of, or premium, if any, or interest on the Series 2025 Bonds. The Agency has no taxing power. See “BONDOWNERS’ RISKS” herein.

The Series 2025 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 for the Agency. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., as Disclosure Counsel. Certain legal matters will be passed upon for the Agency and the City by John Brems, Esq., City Attorney. Certain matters will be passed upon for the Underwriter by its counsel, Farnsworth Johnson PLLC. LRB Public Finance Advisors, Inc. is acting as Municipal Advisor to the Agency in connection with the issuance of the Series 2025 Bonds. It is expected that the Series 2025 Bonds, in book-entry only form, will be available for delivery to DTC or its agent on or about August 28, 2025.

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 _____, 2025, and the information contained herein speaks only as of that date.

STIFEL

* Preliminary; subject to change.

MILLCREEK COMMUNITY REINVESTMENT AGENCY

\$20,545,000*

SALES TAX AND TAX INCREMENT REVENUE BONDS, SERIES 2025

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS/PRICES

<u>Due (June 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2037	\$150,000			
2038	720,000			
2039	755,000			
2040	795,000			
2041	830,000			
2042	875,000			
2043	920,000			
2044	965,000			
2045	1,010,000			

\$5,905,000* _____ % Term Bond due June 1, 2050; Price _____ % ; CUSIP† No. _____
\$7,620,000* _____ % Term Bond due June 1, 2055; Price _____ % ; CUSIP† No. _____

\$4,455,000*

SALES TAX AND TAX INCREMENT REVENUE BONDS, SERIES 2025B (FEDERALLY TAXABLE)

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS/PRICES

<u>Due (June 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP†</u>
2030	\$485,000			
2031	505,000			
2032	530,000			
2033	560,000			
2034	585,000			
2035	615,000			
2036	645,000			
2037	530,000			

* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc., on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers 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 2025 Bonds. None of the Agency, the City, the Trustee, or the Underwriter is responsible for the selection or use of such CUSIP numbers, and no representation is made as to its correctness on the Series 2025 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025 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 of the Series 2025 Bonds.

No dealer, broker, salesman or any other person has been authorized by the Agency, 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 or solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation, or sale.

The information set forth herein has been obtained from the City, the Agency, 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 Agency, the City, or in any other information contained herein since the date hereof.

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 Agency, which they may reasonably require in connection with the decision to purchase any of the Series 2025 Bonds from the Underwriter.

The yields at which the Series 2025 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In addition, the Underwriter may allow concessions or discounts from the initial offering prices of the Series 2025 Bonds to dealers and others. In connection with this offering, the Underwriter may engage in transactions that stabilize, maintain, or otherwise affect the market prices of the Series 2025 Bonds. Such transactions, if commenced, may be discontinued at any time.

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.

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 in the Official Statement include, but are not limited to, the statements under the captions “THE SERIES 2025 PROJECT,” “ESTIMATED SOURCES AND USES OF FUNDS,” and “PRO FORMA SCHEDULE OF PLEDGED REVENUES, DEBT SERVICE AND 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 SERIES 2025 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 2025 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.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports, or other documents are referred to in this Official Statement, references should be made to those documents for more complete information regarding their subject matter.

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 2025 Bonds.

MILLCREEK COMMUNITY REINVESTMENT AGENCY

**\$20,545,000* SALES TAX AND TAX
INCREMENT
REVENUE BONDS, SERIES 2025A**

**\$4,455,000* SALES TAX AND TAX INCREMENT
REVENUE BONDS, SERIES 2025B
(FEDERALLY TAXABLE)**

Millcreek Community Reinvestment Agency
1330 East Chambers Avenue
Millcreek, Utah 84106
(801) 214-2700

BOARD OF DIRECTORS AND OFFICERS OF THE AGENCY

Jeff Silvestrini.....Chair
Bev Upi.....Vice Chair
Silvia CattenDirector
Thom DeSirantDirector
Cheri Jackson.....Director
Mike Winder.....Executive Director

CITY ADMINISTRATION

Mike Winder.....City Manager
Lisa DudleyFinance Director
John BremsCity Attorney
Elyse Sullivan.....City Recorder
John Miller.....City Engineer

TRUSTEE, PAYING AGENT & REGISTRAR

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* Preliminary; subject to change.

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**OFFICIAL STATEMENT
RELATING TO**

MILLCREEK COMMUNITY REINVESTMENT AGENCY

**\$20,545,000* SALES TAX AND TAX
INCREMENT
REVENUE BONDS, SERIES 2025A**

**\$4,455,000* SALES TAX AND TAX INCREMENT
REVENUE BONDS, SERIES 2025B
(FEDERALLY TAXABLE)**

INTRODUCTION

This Official Statement, which includes the cover page, introduction and appendices, provides information regarding (i) the issuance and sale by the Millcreek Community Reinvestment Agency (the “Agency”), a political subdivision of the State of Utah (the “State”) organized and existing pursuant to the Limited Purpose Local Government Entities-Community Reinvestment Agency Act, Title 17C, Utah Code Annotated 1953, as amended (the “Community Reinvestment Agency Act”), of its \$20,545,000* Sales Tax and Tax Increment Revenue Bonds, Series 2025A (the “Series 2025A Bonds”) and \$4,455,000* Sales Tax and Tax Increment Revenue Bonds (Federally Taxable), Series 2025B (the “Series 2025B Bonds” and together with the Series 2025A Bonds, the “Series 2025 Bonds”); (ii) the Agency; (iii) Millcreek, Utah (the “City”); and (iv) the Pledged Sales Tax Revenues and the Pledged Revenues (as hereinafter defined).

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, this Official Statement. A full review should be made of this entire Official Statement. The offering of the Series 2025 Bonds to potential investors is made only by means of this entire Official Statement. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in “APPENDIX B—FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT AND THE CITY SALES TAX INDENTURE.”

See the following APPENDICES attached hereto: “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024”; “APPENDIX B—FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT AND THE CITY SALES TAX INDENTURE,”; “APPENDIX C—DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING SALT LAKE COUNTY, UTAH;” “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING”; “APPENDIX E—FORM OF BOND COUNSEL OPINION”; and “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

The Series 2025 Bonds

The Series 2025 Bonds are being issued pursuant to (i) the Community Reinvestment Agency Act; (ii) a General Indenture of Trust, dated as of August 1, 2025 (the “General Indenture”), as supplemented by a First Supplemental Indenture of Trust dated as of August 1, 2025 (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”), between the Agency and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and (iii) other applicable provisions of law. For a description of certain terms of the Series 2025 Bonds and the Indenture, including redemption provisions of the Series 2025 Bonds, see “THE SERIES 2025 BONDS” below.

The Series 2025 Bonds are being issued to (i) finance the acquisition of land and certain improvements within the Agency’s Millcreek Center Community Reinvestment Area and (ii) pay costs of issuing the Series 2025 Bonds. See “THE SERIES 2025 PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” below.

* Preliminary; subject to change.

Security and Sources of Payment

Pursuant to the Indenture, the Agency has pledged and assigned to the Trustee, the Pledged Sales Tax Revenues and the Pledged Revenues as security for the payment of the principal of, and premium, if any, and interest on, the Series 2025 Bonds.

The Pledged Sales Tax Revenues consist of certain sales and use taxes pledged by the City (the “Pledged Sales Tax Revenues”) under an Interlocal Sales Tax Pledge Agreement dated as of August 1, 2025 (the “Pledge Agreement”) by and between the Agency and the City. The lien on the City’s obligation to pay Pledged Sales Tax Revenues to the Agency pursuant to the Pledge Agreement (the “City’s Pledged Sales Tax Obligation”) is on a parity with the City’s Sales Tax Revenue Bonds, Series 2021 and Sales Tax Revenue Bonds, Series 2019, which as of the date of this Official Statement are outstanding in the total aggregate principal amount of \$49,485,000 (the “City Sales Tax Bonds”), have a final maturity date of 2051 and 2039, respectively, and on which the maximum annual debt service equals \$3,588,800. The City’s Pledged Sales Tax Obligation is issued as an “Additional Bond” within the meaning of the Sales Tax Revenue Bonds General Indenture of Trust, dated as of July 1, 2019 (the “City Sales Tax Indenture”), between the City and U.S. Bank Trust Company, National Association, as trustee, providing for the issuance of sales tax revenue bonds of the City. See “PLEDGED SALES TAX REVENUES” and “BONDOWNERS’ RISKS” herein. The City may issue additional obligations that rank on a parity with the City’s Pledged Sales Tax Obligation and the City Sales Tax Bonds pursuant to the City Sales Tax Indenture upon satisfaction of certain requirements. See SECURITY FOR THE SERIES 2025 BONDS—Pledged Sales Tax Revenues” and “APPENDIX B—FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT AND THE CITY SALES TAX INDENTURE” herein.

As defined in the General Indenture, the “Pledged Revenues” consist of (i) Tax Increment Revenues (as further described under “TAX INCREMENT REVENUES” and “TAX INCREMENT FINANCING UNDER THE COMMUNITY REINVESTMENT AGENCY ACT” herein) produced from the Millcreek Center CRA and (ii) certain investment income derived from the investment of moneys held under the Indenture (the “Investment Income”).

The Series 2025 Bonds are secured by the lien of the Indenture on a parity with any additional bonds, notes, and other obligations that may be issued or incurred in the future by the Agency, payable from, and secured by, the Pledged Revenues (collectively, the “Additional Bonds”). *The Pledged Sales Tax Revenues are pledged for the payment of the Series 2025 Bonds and not for any other Bonds issued under the General Indenture.* See “SECURITY FOR THE SERIES 2025 BONDS—Additional Bonds” below. The Series 2025 Bonds and any Additional Bonds hereafter issued are herein referred to collectively as the “Bonds.”

The Series 2025 Bonds are not general obligations or debt of the City, the State of Utah, or any other political subdivision thereof and neither the City (except as set forth in the Pledge Agreement), the State of Utah, nor any other political subdivision thereof, shall be liable thereon. In no event shall the Series 2025 Bonds or the interest or premiums thereon be payable out of any funds or properties other than those of the Agency which have been pledged therefor under the Indenture. Neither the faith and credit nor the ad valorem taxing power of the City, the State of Utah or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on, the Series 2025 Bonds. The Agency has no taxing power. See “BONDOWNERS’ RISKS” below.

Redemption of Series 2025 Bonds

The Series 2025 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See “THE SERIES 2025 BONDS—Redemption Provisions.”

Registration, Denominations and Manner of Payment

The Series 2025 Bonds are issuable only as fully-registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository for the Series 2025 Bonds. Purchases of Series 2025 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. Beneficial owners of the Series 2025 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 2025 Bonds.

Interest on the Series 2025 Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2025 (each an “Interest Payment Date”). So long as DTC or its nominee is the Registered Owner of the Series 2025 Bonds, payments of principal, premium, if any, and interest will be made to DTC, which will, in turn, remit such payments to its participants for subsequent disbursements to the beneficial owners of the Series 2025 Bonds. For a description of the book-entry only system, see “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Agency, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the Series 2025A Bonds 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. The Series 2025A Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2025A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2025A Bonds is exempt from State of Utah individual income taxes.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Agency, under the law currently existing as of the issue date of the Series 2025B Bonds the interest on the Series 2025B Bonds is includable in gross income for federal income tax purposes. However, the interest on the Series 2025B 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 2025 Bonds.

Conditions of Delivery, Anticipated Date and Manner of Delivery

The Series 2025 Bonds are offered when, as, and if issued and received by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the Agency, and certain other conditions. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the Agency. Certain legal matters will be passed upon for the Agency and the City by John Brems, Esq., City Attorney. Certain matters will be passed upon for the Underwriter by its counsel, Farnsworth Johnson PLLC. LRB Public Finance Advisors, Inc. is acting as Municipal Advisor to the Agency in connection with the issuance of the Series 2025 Bonds. It is expected that the Series 2025 Bonds, in book-entry-only form, will be available for delivery to DTC or its agent on or about August 28, 2025.

Basic Documentation

Brief descriptions of the Agency, the Series 2025 Bonds, the Indenture, and the Pledge Agreement are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture and the Series 2025 Bonds are qualified in their entirety by reference to the complete text thereof. See also “APPENDIX B—FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT AND THE CITY SALES TAX INDENTURE” herein.

Contact Persons

As of the date of this Official Statement, the chief contact persons for the Agency concerning the Series 2025 Bonds are:

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Millcreek, Utah 84106
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As of the date of this Official Statement, additional requests for information may be directed to the Municipal Advisor:

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Salt Lake City, Utah 84101
(801) 596-0700
jason@lrbfinance.com

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Agency, the City, the Series 2025 Project, the Series 2025 Bonds, the Indenture, and the Pledge Agreement are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture and the Pledge Agreement are qualified in their entirety by reference to such documents, and references herein to the Series 2025 Bonds are qualified in their entirety by reference to the forms thereof included in the Indenture and the information with respect thereto included in the aforementioned documents, copies of which are available for inspection at the principal office of the Trustee on or after the delivery of the Series 2025 Bonds. During the period of the offering of the Series 2025 Bonds, copies of the preliminary forms of such documents will be available at the offices of the Underwriter listed on the cover page hereof.

THE SERIES 2025 BONDS

General Description

The Series 2025 Bonds are dated the date of their initial delivery and, except as otherwise provided in the Indenture, will bear interest from said date. Interest on the Series 2025 Bonds is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2025.

The Series 2025 Bonds will mature on the dates and bear interest at the rates set forth on the inside cover page of this Official Statement. The Series 2025 Bonds will be issued as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. U.S. Bank Trust Company, National Association is the Trustee, Registrar and Paying Agent under the Indenture.

The principal of, premium, if any, and interest on the Series 2025 Bonds shall be payable in lawful money of the United States of America. The principal of and premium, if any, on the Series 2025 Bonds are payable upon presentation and surrender thereof at the principal corporate office of U.S. Bank Trust Company, National Association to the registered owners thereof, initially DTC. Payment of the interest on any Series 2025 Bonds shall be made on each Interest Payment Date by check or draft mailed to the Registered Owner thereof (initially DTC) at the address of such Registered Owner as it appears on the registration books of the Registrar for the Series 2025 Bonds at the close of business on the Record Date for such interest.

Book-Entry Only System

The Series 2025 Bonds originally will be issued solely in book-entry form to The Depository Trust Company (“DTC”), New York, NY, or its nominee, Cede & Co., to be held in DTC’s book-entry system. So long as such Series 2025 Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner of such Series 2025 Bonds for all purposes of the Indenture, the Series 2025 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series 2025 Bonds may be made in denominations described above. For a description of the book-entry only system for the Series 2025 Bonds, see “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

The information herein concerning DTC and DTC’s book-entry system has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

Registration, Transfer, and Exchange

In the event that the book-entry only system has been discontinued, the Series 2025 Bonds, upon surrender thereof at the principal corporate trust office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Bondowner or his duly authorized attorney, may be exchanged for an equal aggregate principal amount of Series 2025 Bonds of the same series, designation, interest rate, and maturity and of any other authorized denominations. For every such exchange or transfer of the Series 2025 Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax or governmental charge required to be paid with respect to such exchange or transfer of the Series 2025 Bonds, but may impose no other charge therefor.

The Bond Registrar shall not be required (a) to transfer or exchange any Series 2025 Bond during a period commencing after the Regular Record Date with respect to any Interest Payment Date to and including such Interest Payment Date or (b) to transfer or exchange any Series 2025 Bonds called for redemption or selected for call for redemption. “Regular Record Date” means the fifteenth day immediately preceding each Interest Payment Date for the Series 2025 Bonds.

Redemption Provisions

Optional Redemption. The Series 2025A Bonds maturing (or subject to mandatory redemption) on or after June 1, 2037*, are subject to call and redemption prior to maturity on any date on or after June 1, 2035*, in whole or in part, from such maturities or parts thereof as may be selected by the Agency and by lot within each maturity if less than the full amount of any maturity is to be redeemed at a redemption price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

The Series 2025B Bonds maturing (or subject to mandatory redemption) on or after June 1, 2036*, are subject to call and redemption prior to maturity on any date on or after June 1, 2035*, in whole or in part, from such maturities or parts thereof as may be selected by the Agency and by lot within each maturity if less than the full amount of any maturity is to be redeemed at a redemption price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Series 2025A Bonds maturing on June 1, 20__ and June 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:

* Preliminary; subject to change.

Mandatory Sinking Fund
Redemption Date
(June 1)

Mandatory Sinking Fund
Redemption Amount*

** Final Maturity Date.

Mandatory Sinking Fund
Redemption Date
(June 1)

Mandatory Sinking Fund
Redemption Amount*

** Final Maturity Date.

Upon redemption of the Series 2025A Bonds maturing on June 1, 20__ and June 1, 20__, respectively, 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 Series 2025A Bonds maturing on June 1, 20__ and June 1, 20__, respectively, in such order of mandatory sinking fund date as shall be directed by the Agency.

Notice of Redemption. In the event any of the Series 2025 Bonds are to be redeemed, the Registrar shall cause notice of redemption to be mailed by first class mail, postage prepaid, to all Registered Owners of Series 2025 Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least 30 days but not more than 60 days prior to the date fixed for redemption.

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 2025 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 on the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

Partially Redeemed Series 2025 Bonds. If a portion of any Series 2025 Bond shall be called for redemption, a new Series 2025 Bond or Bonds in principal amount equal to the unredeemed portion thereof will be issued to the Owner upon the surrender thereof. If less than all the Series 2025 Bonds of any maturity shall be called for redemption, the particular Series 2025 Bonds or portions of Series 2025 Bonds to be redeemed shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may deem fair and proper; provided, however, that the portion of any Series 2025 Bond of a denomination larger than the minimum denomination may be redeemed in the principal amount of such minimum denomination or an integral multiple thereof and that for purposes of selection and redemption, any such Series 2025 Bond shall be considered to be that number of separate Bonds of such minimum denomination which is obtained by dividing the principal amount of such 2023 Bond by such minimum denomination.

* Preliminary; subject to change.

DEBT SERVICE SCHEDULE FOR THE SERIES 2025 BONDS*

Fiscal <u>Year</u>	Series 2025A Bonds		Series 2025B Bonds		<u>Total</u>
	<u>Principal*</u>	<u>Interest</u>	<u>Principal*</u>	<u>Interest</u>	
2026	-		-		
2027	-		-		
2028	-		-		
2029	-		-		
2030	-		\$ 485,000		
2031	-		505,000		
2032	-		530,000		
2033	-		560,000		
2034	-		585,000		
2035	-		615,000		
2036	-		645,000		
2037	\$ 150,000		530,000		
2038	720,000		-		
2039	755,000		-		
2040	795,000		-		
2041	830,000		-		
2042	875,000		-		
2043	920,000		-		
2044	965,000		-		
2045	1,010,000		-		
2046	1,065,000		-		
2047	1,120,000		-		
2048	1,175,000		-		
2049	1,240,000		-		
2050	1,305,000		-		
2051	1,370,000		-		
2052	1,445,000		-		
2053	1,520,000		-		
2054	1,600,000		-		
2055	1,685,000		-		
Total:	<u>\$20,545,000</u>		<u>\$4,455,000</u>		

* Preliminary; subject to change.
(Source: Municipal Advisor.)

SECURITY FOR THE SERIES 2025 BONDS

General

The principal, premium, if any, and interest on the Series 2025 Bonds are payable from and secured by a pledge of the Pledged Sales Tax Revenues under the First Supplemental Indenture and the Pledged Revenues under the General Indenture, as described herein.

Pursuant to the Indenture, the Agency has granted to the Trustee for the benefit of the owners of the Series 2025 Bonds a pledge of and lien on the Pledged Revenues and Pledged Sales Tax Revenues.

The Agency has made certain covenants in the Indenture that are intended to protect the lien on the Pledged Revenues and the priority thereof for the benefit of the owners of the Series 2025 Bonds and any other Additional Bonds. See “APPENDIX B—FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT AND THE CITY SALES TAX INDENTURE” herein.

The Series 2025 Bonds do not constitute a general obligation or indebtedness of the Agency within the meaning of any constitutional or statutory debt limitation. The Series 2025 Bonds are special, limited obligations of the Agency payable solely from, and secured solely by, the Pledged Revenues and the Pledged Sales Tax Revenues as described herein. THE AGENCY HAS NO TAXING POWER. See “BONDOWNERS’ RISKS” above.

Pledged Sales Tax Revenues

The Pledged Sales Tax Revenues are those sales and use tax revenues (the “Sales Tax Revenues”) collected by the City under Title 59, Chapter 12, Part 2 of the Utah Code (the “Local Sales and Use Tax Act”) and received by the Agency pursuant to the Pledge Agreement.

Under the Pledge Agreement, the Agency and the City agree that:

(a) Pursuant to Section 17C-1-207 and Section 17C-1-409 of the Community Reinvestment Agency Act, the City will assist the Agency in repaying the Series 2025 Bonds, and irrevocably pledges, assigns, and grants a security interest in the Sales Tax Revenues received from and after the date of execution of the Pledge Agreement to the Agency for the purpose of payment of the Series 2025 Bonds pursuant to the City Sales Tax Indenture.

(b) The City will continue to impose the taxes constituting the Sales Tax Revenues until all of the Series 2025 Bonds have been paid or until moneys for the purpose have been irrevocably set aside. While any of the Series 2025 Bonds remain outstanding and unpaid, any ordinance, resolution or other enactment of the City, implementing the taxes constituting the Sales Tax Revenues or transferring the revenues therefrom to the Agency for the payment of the Series 2025 Bonds shall not be amended or modified in any manner which would materially impair the rights of the holders of the Series 2025 Bonds or which would in any way materially jeopardize the timely payment of principal or interest on the Series 2025 Bonds when due. The City currently does not anticipate that it will reduce the rate of or repeal the imposition of the taxes from which the Sales Tax Revenues are derived and covenants, subject to the limitations set forth immediately below, not to do so. However, the Agency and the City recognize that the State legislature may reduce the maximum rate of such taxes. The City covenants that it will account for the Sales Tax Revenues separate and apart from the other funds of the City and take such other actions as may be necessary to maintain the perfected security interest in the Sales Tax Revenues created for the benefit of the Agency and the holders of the Series 2025 Bonds by the Pledge Agreement. To the extent necessary to provide for the timely payment of the principal and interest on the Series 2025 Bonds, the City shall pay to the Agency for payment to the Trustee such amounts from the Sales Tax Revenues as shall be needed to make such payments.

(c) The Agency will account for the Sales Tax Revenues separate and apart from other funds of the Agency and will transfer the Sales Tax Revenues to the Trustee for payment of the Series 2025 Bonds consistent with the terms of the Indenture and the City Sales Tax Indenture.

(d) All books, instruments and documents in the Agency's and the City's possession relating to the Series 2025 Project, the Tax Increment Revenues, and the Sales Tax Revenues shall be open to inspection at all times during the City's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time.

(e) The Sales Tax Revenues are allocated and pledged as described above, to the payment of the Series 2025 Bonds and until all of the Series 2025 Bonds and all interest thereon, have been paid (or until moneys for that purpose have been irrevocably set aside) the Sales Tax Revenues (except as otherwise specifically provided in the Indenture and the Pledge Agreement), shall next be applied to the payment of the Series 2025 Bonds, the interest thereon, and premium, if any, then due as provided in the Indenture, and then any other purpose permitted by law.

(f) At least forty-five days prior to each Interest Payment Date, the Agency shall notify the City in writing (i) the extent, if any, by which Debt Service exceeds amounts on deposit in the Bond Fund for the Series 2025 Bonds and (ii) the amount, if any, necessary to restore the Series 2025 Debt Service Reserve Account to the Reserve Requirement (collectively, the "Revenue Shortfall").

(g) Subject to the conditions of (f) above, at least thirty days prior to each Interest Payment Date, the City agrees to remit Sales Tax Revenues to the Agency in an amount equal to the Revenue Shortfall.

(h) Once the City and Agency have remitted to the Trustee sufficient moneys for principal and/or interest payments on the Series 2025 Bonds then due as required by the Indenture, and assuming that all payments then due with respect to the Series 2025 Bonds have been paid and are current, any Sales Tax Revenues then held by the Agency or the City may, subject to the lien of any other obligations, be released to the City for its use for any lawful purpose.

The City's Pledged Sales Tax Obligation is issued as an "Additional Bond" under the City Sales Tax Indenture, on a parity with the City Sales Tax Bonds and any additional bonds issued in the future under the City Sales Tax Indenture. As of the date of this Official Statement, the City Sales Tax Bonds are outstanding in the aggregate principal amount of \$49,485,000. The City Sales Tax Bonds have a final maturity date of December 1, 2039, with respect to the 2019 Sales Tax Bonds and June 1, 2051, with respect to the 2021 Sales Tax Bonds, and the maximum annual debt service with respect to the City Sales Tax Bonds equals \$3,588,800. The City Sales Tax Indenture prohibits the City from issuing bonds or other obligations with a lien on the Pledged Sales Tax Revenues that is senior to the lien on such revenues with respect to the City Sales Tax Bonds. Additionally, the City may not issue bonds or other obligations payable from Pledged Sales Tax Revenues on a parity with the lien on such revenues with respect to the City Sales Tax Bonds unless certain conditions are met, as set forth in the City Sales Tax Indenture. Among other requirements for issuing additional bonds or obligations under the City Sales Tax Indenture on a parity with the City Sales Tax Bonds, the City is required to deliver a certificate demonstrating that the Pledged Sales Revenues for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such additional bonds were at least equal to 200% of the sum of (x) the maximum aggregate annual debt service requirement on all bonds or other obligations issued under the City Sales Tax Indenture to be outstanding following the issuance of such additional bonds plus (y) the average annual installments due on all reserve instrument repayment obligations outstanding under the City Sales Tax Indenture following the issuance of such additional bonds. See "THE PLEDGE AGREEMENT—Pledged Sales Tax Revenues" and "BONDOWNERS' RISKS" herein

For additional information regarding the Pledged Sales Tax Revenues, see "PLEDGED SALES TAX REVENUES" herein. See "APPENDIX B— FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT AND THE CITY SALES TAX INDENTURE" for a form of the Pledge Agreement that will be executed and delivered at the time that the Series 2025 Bonds are issued.

Pledged Revenues

Under the General Indenture, the Pledged Revenues are the sum of the Tax Increment Revenues and the Investment Income.

“Investment Income” is certain investment income derived from the investment of moneys held under the Indenture.

“Tax Increment Revenues” means that portion of taxes levied upon taxable property within the Millcreek Center CRA, which may be allocated to and paid to the Agency for payment of Agency obligations pursuant to the Community Reinvestment Agency Act.

Under the Indenture, the Agency grants an irrevocable first lien pledge of the Tax Increment Revenues to the payment of the Series 2025 Bonds. As authorized by the project area plan for the Millcreek Center CRA, dated April 8, 2019 (the “Millcreek Center CRA Project Area Plan”), the Tax Increment Revenues available in each tax year shall be used by the Agency as follows:

- (a) The Tax Increment Revenues shall be allocated to the Bond Fund and disbursed as provided in the Indenture for each Bond Year while any Bonds remain Outstanding; and
- (b) The Agency covenants to promptly pay the amount described in the prior subparagraph to the Trustee, upon receipt of such amount.

For additional information regarding the Tax Increment Revenues, see “TAX INCREMENT REVENUES” herein.

Flow of Revenues

To secure the timely payment of the principal of and interest on the Series 2025 Bonds, the Agency has pledged and assigned to the Trustee the Pledged Sales Tax Revenues, the Pledged Revenues, and all moneys in the funds and accounts established by the Indenture. The Indenture establishes a Bond Fund to be held by the Trustee and certain other funds and accounts.

- (a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:
 - (i) accrued interest, if any, received upon the issuance of any Series of Bonds;
 - (ii) Tax Increment Revenues as specified in the Indenture;
 - (iii) any amount in the 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 after an Event of Default, and as provided in the Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:
 - (i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;
 - (ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and
 - (iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

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

In addition, under the First Supplemental Indenture and the Pledge Agreement, the Pledged Sales Tax Revenues are pledged to the payment of the Series 2025 Bonds and, as of the date of issuance of the Series 2025 Bonds, to no other Bonds under the Indenture. The First Supplemental Indenture also provides that,

(i) The Pledged Sales Tax Revenues shall be applied to the Series 2025 Bonds as provided in the General Indenture as if the Pledged Sales Tax Revenues were Tax Increment Revenues, but solely with respect to the Series 2025 Bonds. In this respect, promptly upon receipt thereof, the Agency shall deposit such amounts into the Bond Fund for the Series 2025 Bonds until the amounts necessary to pay the Series 2025 Bonds on the next Bond payment date are on deposit therein.

(ii) Not in limitation of the obligation to make the deposits to the Bond Fund for the Series 2025 Bonds specified in clause (i) above, deposits to the Bond Fund for the Series 2025 Bonds shall be deemed funded from the Tax Increment Revenues prior to funding from the Pledged Sales Tax Revenues.

(iii) So long as the Series 2025 Bonds are Outstanding, the Agency covenants that it will not take any of the following actions without the consent of the Registered Owners of 100% in aggregate Principal amount of the Series 2025 Bonds then Outstanding: (i) terminate the Pledge Agreement; (ii) reduce the amounts due to the Agency under the Pledge Agreement; or (iii) amend or supplement the Pledge Agreement in any way which would materially adversely affect the amount of the Pledged Sales Tax Revenues.

Debt Service Reserve Fund

The Indenture creates a Debt Service Reserve Fund and provides that a separate account for each Series of Bonds may be established within the Debt Service Reserve Fund. However, there is no Debt Service Reserve requirement with respect to the Series 2025 Bonds, and there will be no funding of a subaccount of the Debt Service Reserve Fund with respect to the Series 2025 Bonds.

Additional Bonds

No additional indebtedness, bonds or notes of the Agency secured by a pledge of the Pledged Revenues senior to the pledge of Pledged Revenues for the payment of the Bonds and the Security Instrument Repayment Obligations authorized in the Indenture shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds and the Security Instrument Issuers. In addition, no Additional Bonds or other indebtedness, bonds or notes of the Agency payable on a parity with the Bonds (as to the Pledged Revenues) and the Security Instrument Repayment Obligations authorized in the Indenture shall be created or incurred, unless the following requirements have been met:

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

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the anticipated Tax Increment Revenues, for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were equal to at least 125% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds, after deducting from any applicable Bond Fund Year amounts held in the Debt Service Reserve Fund that are expected to be used for Debt Service payments on the Bonds in such year, plus (y) the maximum annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds; and

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

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

(d) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued under the Indenture or any other obligations (including tax sharing agreements) of the Agency (including the funding of necessary reserves and the payment of costs of issuance) and/or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

Presently, the Agency has no plans to incur additional debt under the Indenture.

PLEDGED SALES TAX REVENUES

Pursuant to the Pledge Agreement, the City has pledged to the payment of the Series 2025 Bonds local sales and use tax revenues received by the City pursuant to the Local Sales and Use Tax Act

Sales Tax Revenues

The Local Sales and Use Tax Act provides that each city and town in the State may levy a local sales and use tax of up to 1.00% on the purchase price of taxable goods and services. Local governments may elect to levy sales and use taxes at rates less than 1.00%. The City currently levies sales and use taxes at the full rate of 1.00%. The legislative intent contained in the Local Sales and Use Tax Act is to provide an additional source of revenues to municipalities that is to be used to finance their capital outlay requirements and to service their bonded indebtedness. The local sales and use taxes discussed in this paragraph and received by the City are the Sales Tax Revenues pledged in the Pledge Agreement and included in the Revenues pledged under the First Supplemental Indenture. See “RISK FACTORS—Uncertainty of Economic Activity and Sales Tax Revenues” and “—Legislative Changes to Local Sales Tax Act” herein.

The local sales and use tax is levied in addition to a statewide sales and use tax (the “Statewide Tax”) which is currently imposed at a rate of 4.85% of the purchase price of taxable goods and services (except that only 1.75% is levied on unprepared food and food ingredients and sales of natural gas, electricity and fuel oil for residential use are taxed at a statewide rate of 2.00%). The taxable transactions and the exemptions under the Local Sales and Use Tax Act conform to those of the statewide sales and use tax.

Sales tax is imposed on the amount paid or charged for sales of tangible personal property in the State and for services rendered in the State for the repair, renovation, or installation of tangible personal property. Use tax is imposed on the amount paid or charged for the use, storage, or other consumption of tangible personal property in the State, including services for the repair, renovation, or installation of such tangible personal property. Sales and use taxes also apply to leases and rentals of tangible personal property if the tangible personal property is in the State, the lessee takes possession in the State, or the tangible personal property is stored, used, or otherwise consumed in the State.

In addition to the sales and use taxes described above, counties and cities in the State are authorized to impose sales and use taxes to fund a public transportation system, for zoo, art and parks purposes and at the option of the county for general fund purposes of the county, which sales and use taxes do not constitute Pledged Sales Tax Revenues. Salt Lake County (the “County”) imposes sales and use taxes for public transportation, for zoo, art, and

parks purposes, and for general fund purposes of the County. None of these taxes are pledged as a component of the Sales Tax Revenues. The total sales and use tax imposed in the City (other than certain specialty taxes, including a motor vehicle rental tax, a transient room tax, and a tourism restaurant tax imposed by the County) is 7.45%.

Local sales and use taxes, including the pledged Sales Tax Revenues, are collected by the Utah State Tax Commission and distributed on a monthly basis to each county, city and town. The distributions are based on a formula that provides for (1) 50% of sales tax collections to be distributed according to the local government's population and (2) 50% of sales tax collections to be distributed based on the point of sale (the "50/50 Distribution"). The 50/50 Distribution formula is subject to the provision that certain qualifying cities and towns are eligible to receive a minimum tax revenue distribution (the "Minimum Distribution") if such amount is greater than the 50/50 Distribution. Changes to such formula have been and continue to be under discussion and the City cannot predict whether the State Legislature will make any such adjustments. See "RISK FACTORS—Legislative Changes to Sales Tax Statutes," herein.

A sales and use tax due and unpaid constitutes a debt due from the vendor and may be collected, together with interest, penalty, and costs, by an appropriate judicial proceeding within three years after the vendor is delinquent. Furthermore, if a sales and use tax is not paid when due and if the vendor has not followed the procedures to object to a notice of deficiency, the Utah State Tax Commission may issue a warrant directed to the sheriff of any county commanding them to levy upon and sell the real and personal property of a delinquent taxpayer found within such county for the payment of the tax due. The amount of the warrant shall have the force and effect of an execution against all personal property of the delinquent taxpayer and shall become a lien upon the real property of the delinquent taxpayer in the same manner as a judgment duly rendered by any district court.

Historical Sales Tax Revenues

Since the City is a relatively new entity, historical financial data is limited. A historical summary of the Pledged Sales and Use Taxes from the date of the City's incorporation, through the fiscal year ended June 30, 2024, along with a preliminary estimate of fiscal year 2025 revenues, is shown below.

Historical Summary of Local Option Sales Tax Revenues

<u>Fiscal Year Ended June 30</u>	<u>Sales Tax Revenues</u>	<u>Percent Change from Prior Year</u>
2025 ⁽¹⁾	\$15,350,000	0.9%
2024	15,213,873	0.1
2023	15,206,134	2.5
2022	14,829,298	12.1
2021	13,224,195	18.0
2020	11,208,190	6.7
2019	10,504,460	7.2
2018	9,798,831	321.0
2017 ⁽²⁾	2,327,445	—

(1) Preliminary estimate; subject to change.

(2) Amount shown for 2017 represents three months' sales tax revenue from the effective date of the City's incorporation.

The Largest Sales Taxpayers in the City

With respect to the specific sources of sales and use tax revenues for the last twelve months as of April 2025, approximately 62% of sales and use tax revenues came from the State distribution based upon the population of the City. The other approximately 38% came from sales occurring within the City. Of those, the top 30 sales tax providers combined accounted for 40.8% of the sales occurring within the City. Such taxpayers primarily include retailers, grocers, building materials, automobile dealers, and utility providers.

TAX INCREMENT REVENUES

Pursuant to the Indenture, the Agency has granted to the Trustee for the benefit of the Owners of the Bonds a pledge of and lien on the Pledged Revenues which consist in part of 100% of the tax increment received by the Agency from the Millcreek Center CRA according to the Millcreek Center CRA budget (the “Tax Increment Revenues”). The Tax Increment Revenues consist of the difference between (i) the amount of property tax revenues generated each tax year by all taxing entities from the area within the Millcreek Center CRA designated in the Millcreek Center CRA Project Area Plan as the area from which tax increment is to be collected, using the current assessed value of the property and (ii) the amount of the property tax revenues that would be generated from that same area using the taxable value of the property within the Millcreek Center CRA as shown upon the assessment roll last equalized before the date of adoption of the first Millcreek Center CRA Project Area budget (the “base taxable value”), which amount is allocated and actually paid to the Agency as provided in the Millcreek Center CRA Project Area Plan and the Millcreek Center CRA Project Area budget, all in accordance with the Community Reinvestment Agency Act.

For a description of the provisions of the Community Reinvestment Agency Act relating to the Tax Increment Revenues, see “TAX INCREMENT FINANCING UNDER THE COMMUNITY REINVESTMENT AGENCY ACT” below.

The Series 2025 Bonds are secured under the Indenture by the Pledged Revenues, including the Tax Increment Revenues, on a parity with any Additional Bonds hereafter incurred or issued on a parity with the Series 2025 Bonds. See “Additional Bonds” below and “APPENDIX B—FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT AND THE CITY SALES TAX INDENTURE.”

Millcreek Center Community Reinvestment Area

The Millcreek Center CRA was created pursuant to the Millcreek Center Project Area Plan adopted by the Agency and approved by the City on April 8, 2019. The Project Area is comprised of approximately 105 acres of property centrally located in the City and was created to assist with the development of a City center. The Millcreek City Center is envisioned as a walkable mixed-use lifestyle center that provides amenities and a central gathering place for the City and its residents.

The base year property tax value for the Project Area is the total taxable value for the 2017 tax year, which was estimated to be \$130,666,124. The value of the Project Area in tax year 2024 was \$256,901,534, generating \$1,142,036 in tax increment.

The Project Area was established with a 20-year duration from the date of the first tax increment received by the Agency. The Agency began collecting tax increment in fiscal year 2021 (tax year 2020). The initial expiration of tax increment collection was scheduled for tax year 2040; however, in 2020, the expiration date was extended to tax year 2042 (fiscal year 2043) due to COVID-19 relief legislation.

All taxing entities that receive property tax generated within the Project Area will share at least a portion of the tax increment generation with the Agency for 20 years. An interlocal agreement with each of the taxing entities within the Project Area established specific participation levels, setting the amount of each taxing entity’s allocable share of the tax increment that flows to the Agency for use in the Project Area. Below is a table showing each of the taxing entities in the Project Area and the percentage of tax increment from each that will be allocated to the Agency.

Tax Increment Participation Levels

<u>Taxing Entity</u>	<u>Participation Level</u>
Salt Lake County	100%
Granite School District	80
Millcreek City	80
South Salt Lake Valley Mosquito Abatement District	80
Mt. Olympus Improvement District	80
Central Utah Water Conservancy District	75
Unified Fire Service Area	80
Salt Lake County Library	100

The City was incorporated on December 28, 2016, and the Millcreek Center CRA has been instrumental in creating a new “town square” for the City. The area surrounding the City offices is also known as Millcreek Common. One of the initial projects of the Millcreek Center CRA was the development of an 11,000-square-foot ice skating/roller skating ribbon, a splash pad, a community stage, and an event space in Millcreek Common.

Additional completed development in the Project Area includes:

- Millcreek City Hall (60,000-square-foot city hall, including public market and community room) was completed in 2023.
- Brickside Heights, an adaptive re-use of an old office building, consisting of 44 new residential units, was completed in 2023.
- The Richmond, a mixed-use development, was completed in the spring of 2025 and contains 330 residential units and 13,000 commercial square feet.
- The Cottonwood on Highland, a mixed-use development, was completed in 2024 and contains 250 residential units and 15,000 commercial square feet.
- The Medical Office development project has an expected opening date of September 1, 2025, and contains 21,000 commercial square feet.

Additional anticipated development in the Project Area includes, but is not limited to:

- The Hudson mixed-use project is under technical review and contains 250 residential units and 7,735 commercial square feet.
- The Westerly development project is currently under construction and will contain 197 residential units, 6,380 commercial square feet, and a parking structure shared with the City of approximately 450 parking spaces.
- The Brick Creek Lofts (multifamily development) is currently under construction and will contain 89 residential units.
- The Millhaus mixed-use project is currently under construction and will include 217 residential units and 6,851 square feet of retail space.
- The Millcreek Common East Block development project (mixed use) is in process and is anticipated to provide approximately 13,000 square feet of commercial/retail space and 112 hotel rooms. Construction is expected to commence in the summer of 2025. The Millcreek Common East Block project will also include a parking structure with approximately 221 parking stalls.

Tax Increment Collections in the Millcreek Center CRA

The following table sets forth the collections in the Millcreek Center CRA.

Calendar <u>Year</u>	Total <u>Taxable Value</u>	Total Incremental <u>Tax Value</u> ⁽¹⁾	Total Increment <u>to Agency</u> ⁽²⁾
2024	\$256,901,534	\$126,235,410	\$1,142,036
2023	210,822,646	80,156,522	745,569
2022	167,893,798	37,317,674	346,760
2021	145,036,614	14,370,490	155,316

(1) Represents the change in total taxable value from the Base Value.

(2) Represents the total amount of tax increment allocated to the Agency based on the participation levels of the overlapping taxing entities. In 2022, 2023, and 2024, the total increment allocated to the Agency included adjustments of \$(7,135), \$270, and \$1,575, respectively.

(Source: The Agency.)

The CRA Project Area Budget provides that 5% of the tax increment received may be used for administrative purposes, 15% is to be used for affordable housing, and the remaining 80% is to be used for Project Area improvements supporting the goals of the Millcreek Center CRA.

Aggregate Tax Rate in the Millcreek Center CRA

The following table sets out the individual tax rates levied by the Taxing Entities that have levied taxes within the Millcreek Center CRA and the Aggregate Tax Rate (as hereinafter defined) in effect for each calendar year since the first year of tax increment collection in the Millcreek Center CRA.

(Tax Rate Per \$1,000 of Assessed Value)

Tax <u>Year</u>	<u>City</u>	<u>County</u>	<u>County Library</u>	<u>Mosquito Abatement District</u>	<u>Granite School District</u>	<u>Mt. Olympus Imp. District</u>	<u>Central Utah WCD</u>	<u>Unified Fire Service Area</u>	<u>Total</u>
2024	0.001344	0.001297	0.000446	0.000009	0.006125	0.000173	0.000400	0.001403	0.011197
2023	0.001431	0.001394	0.000477	0.000009	0.006353	0.000184	0.000400	0.001346	0.011594
2022	0.001453	0.001459	0.000386	0.000009	0.006311	0.000188	0.000400	0.001322	0.011528
2021	0.001699	0.001777	0.000474	0.000012	0.007105	0.000229	0.000400	0.001594	0.013290
2020	0.001841	0.001948	0.000515	0.000013	0.007397	0.000248	0.000400	0.001717	0.014079

(Source: The State Tax Commission.)

The Agency has no control over the Aggregate Tax Rate and cannot provide any assurance that it will not decrease in future tax years. See “BONDOWNERS’ RISKS—No Taxing Power or Related Authority” herein.

Additional Information. For information with respect to tax increment financing, under the Community Reinvestment Agency Act, please see “TAX INCREMENT FINANCING UNDER THE COMMUNITY REINVESTMENT AGENCY ACT” below.

Total Property Tax Collected by the City

The table below shows the total property tax levy and collections in the City for the years shown.

Tax Year	Total Tax Levy ⁽¹⁾	Current Tax Collections ⁽²⁾	% of Levy Collected	Misc. Taxes, Reallocations, and Refunds	Delinquent Taxes Collected ⁽³⁾	Less Tax Increment Paid ⁽⁴⁾	Motor Vehicle FILOT ⁽⁵⁾	Total Taxes Received	Rate of Taxes Received to Taxes Charged
2024	\$12,673,164	\$12,312,638	97.16%	\$44,980	\$208,541	\$(394,429)	\$426,748	\$12,598,478	99.41%
2023	12,520,370	12,182,947	97.31	45,539	210,545	(325,387)	443,918	12,557,561	100.30
2022	12,291,861	11,994,037	97.58	(1,794)	222,432	(235,608)	449,566	12,428,632	101.11
2021	11,585,699	11,318,930	97.70	4,008	225,367	(175,948)	481,654	11,854,010	102.32
2020	11,499,002	11,193,125	97.34	15,130	206,725	(157,193)	453,445	11,711,232	101.85
2019	10,914,989	10,609,090	97.20	21,649	132,676	(138,023)	476,162	11,101,553	101.71

(1) Real property and centrally assessed property are assessed at current year tax rate; personal property is assessed at prior year's tax rate.

(2) Total tax levy less unpaid taxes and less abatements and tax relief.

(3) Includes penalties and interest.

(4) This amount is tax increment generated by community reinvestment project areas located within the City, including, but not limited to, the Millcreek Center Project Area, and paid by the City to the Agency.

(5) Motor vehicle fee-in-lieu of taxes ("FILOT") are distributed proportionally to all entities assessing property taxes.

(Source: The City.)

PROJECTED DEBT SERVICE COVERAGE

Fiscal Year	Local Option Sales Tax Revenues ⁽¹⁾	Tax Increment ⁽²⁾	<u>Series 2019 Sales Tax Bonds</u>		<u>Series 2021 Sales Tax Bonds</u>		<u>Series 2025 Bonds*</u>		Total Annual Debt Service*	Debt Service Coverage Ratio Series 2025 Bonds*
			Principal	Interest	Principal	Interest	Principal	Interest		
2025	\$15,350,000	\$1,142,036	\$140,000	\$718,300	\$750,000	\$1,029,500	-	-	\$2,637,800	6.29
2026	15,350,000	1,253,604	280,000	707,800	785,000	992,000	-	\$975,210	3,740,010	4.47
2027	15,350,000	1,372,405	395,000	690,925	825,000	952,750	-	1,285,991	4,149,666	4.06
2028	15,350,000	1,497,145	520,000	668,050	870,000	911,500	-	1,285,991	4,255,541	3.99
2029	15,350,000	1,628,122	655,000	638,675	910,000	868,000	-	1,285,991	4,357,666	3.93
2030	15,350,000	1,765,649	810,000	602,050	955,000	822,500	\$485,000	1,285,991	4,960,541	3.48
2031	15,350,000	1,910,051	1,005,000	561,700	1,005,000	774,750	505,000	1,263,671	5,115,121	3.40
2032	15,350,000	2,061,674	1,165,000	518,300	1,055,000	724,500	530,000	1,239,668	5,232,468	3.39
2033	15,350,000	2,388,042	1,340,000	468,200	1,085,000	692,850	560,000	1,213,683	5,359,733	3.34
2034	15,350,000	2,563,564	1,395,000	413,500	1,120,000	660,300	585,000	1,185,683	5,359,483	3.38
2035	15,350,000	2,747,862	1,450,000	356,600	1,155,000	626,700	615,000	1,155,848	5,359,148	3.38
2036	15,350,000	2,747,862	1,510,000	297,400	1,185,000	592,050	645,000	1,123,868	5,353,318	3.42
2037	15,350,000	2,941,375	1,570,000	235,800	1,225,000	556,500	680,000	1,089,683	5,356,983	3.45
2038	15,350,000	3,144,564	1,635,000	171,700	1,260,000	519,750	720,000	1,053,563	5,360,013	3.49
2039	15,350,000	3,357,913	1,705,000	104,900	1,295,000	481,950	755,000	1,017,563	5,359,413	3.53
2040	15,350,000	3,581,928	1,770,000	35,400	1,335,000	443,100	795,000	979,813	5,358,313	3.58
2041	15,350,000	3,817,145	-	-	1,375,000	403,050	830,000	940,063	3,548,113	5.47
2042	15,350,000	4,064,122	-	-	1,420,000	361,800	875,000	898,563	3,555,363	4.32
2043	15,350,000	-	-	-	1,460,000	319,200	920,000	854,813	3,554,013	4.32
2044	15,350,000	-	-	-	1,505,000	275,400	965,000	808,813	3,554,213	4.32
2045	15,350,000	-	-	-	1,535,000	243,419	1,010,000	760,563	3,548,981	4.33
2046	15,350,000	-	-	-	1,570,000	210,800	1,065,000	710,063	3,555,863	4.32
2047	15,350,000	-	-	-	1,600,000	177,438	1,120,000	654,150	3,551,588	4.32
2048	15,350,000	-	-	-	1,635,000	143,438	1,175,000	595,350	3,548,788	4.33
2049	15,350,000	-	-	-	1,670,000	108,694	1,240,000	533,663	3,552,356	4.32
2050	15,350,000	-	-	-	1,705,000	73,206	1,305,000	468,563	3,551,769	4.32
2051	15,350,000	-	-	-	1,740,000	36,975	1,370,000	400,050	3,547,025	4.33
2052	15,350,000	-	-	-	-	-	1,445,000	328,125	1,773,125	8.66
2053	15,350,000	-	-	-	-	-	1,520,000	252,263	1,772,263	8.66
2054	15,350,000	-	-	-	-	-	1,600,000	172,463	1,772,463	8.66
2055	15,350,000	-	-	-	-	-	1,685,000	88,463	1,773,463	8.66
Total		43,985,063	17,345,000	7,189,300	34,030,000	14,002,119	25,000,000	25,908,175	123,474,593	

(1) For purposes of this table, the Sales Tax Revenues are held at the preliminary estimate for fiscal year 2025 and assume no increase or decrease.

(2) Tax Increment projections are based on estimated completion of the various components within the Project Area. The Agency's right to collect tax increment from the Project Area will expire in tax year 2042 (fiscal year 2043); however, the City may, but is not required to, determine to continue paying some or all of the tax increment payable by it to the Agency.

* Preliminary; subject to change.

(Source: Municipal Advisor.)

THE SERIES 2025 PROJECT

A portion of the Series 2025 Project will provide funds for the acquisition of land and to make certain improvements within the Millcreek Center CRA, including improvements to the “East Block” of Millcreek Common to facilitate the development of a hotel, a parking structure, and a mixed-use building, road improvements, improvements to Millcreek Common Phase II, and construction of parking facilities (West Common and North Common). Construction on the East Block project is anticipated to begin in July of 2026 and be completed in 2027. The construction on the other aspects of the Series 2025 Project is expected to be completed by 2028.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources of funds from the proceeds to be received from the sale of the Series 2025 Bonds (exclusive of accrued interest) and the estimated uses of such funds are shown in the following schedule:

Sources of Funds

Principal Amount of Series 2025A Bonds	\$
[Net] Reoffering Premium.....	
Principal Amount of Series 2025B Bonds.....	\$
Total Sources	\$

Uses of Funds

Deposit to Series 2025 Construction Account.....	\$
Costs of Issuance ⁽¹⁾	
Total Uses	\$

⁽¹⁾ Includes rating agency fees, underwriter’s discount, legal, municipal advisor, and trustee fees, and other costs of issuance.

THE CITY

General Information

The City was incorporated as of December 28, 2016, and covers an area of approximately 13 square miles. This City is located in the central eastern portion of Salt Lake County, Utah, surrounded by the neighboring cities of Salt Lake City, South Salt Lake City, West Valley City, Murray City, Taylorsville City, and Holladay City, and the western slope of the Wasatch Mountains. The U.S. Census Bureau estimated the City’s population was 64,217 residents in 2024.

Form of Government

The City is governed by a five-member city council, one of whom is the Mayor. The Mayor is elected at large, and the remaining four Council Members are elected by separate voting districts. A measure of continuity is provided in the City Council by the election of the council members to four-year overlapping terms. State statutes vest the City Council with the responsibility for all City affairs in general. The City Council must approve and may revise the annual (fiscal year) budget for the City and any City departments. The City Council serves as the legislative body of the City and appropriates funds for the various City functions. The City Council is the tax levying body, determining the necessary City property tax levy each year. The City Council also licenses and regulates businesses within the City. The Mayor, with the advice and consent of the City Council, appoints officials, including the City Manager, Finance Director, City Attorney, and City Recorder.

Current members of the City Council and other officers of the City and their respective terms in office are as follows:

<u>Office</u>	<u>Person</u>	<u>Years in Service</u> ⁽¹⁾	<u>Expiration of Term</u>
Mayor	Jeff Silvestrini	8	January 2028
Council Member	Silvia Catten	8	January 2028
Council Member	Thom DeSirant	3	January 2026
Council Member	Cheri Jackson	8	January 2028
Council Member	Bev Uipi	8	January 2026
City Manager	Mike Winder	4	Appointed
City Attorney	John Brems	8	Appointed
Finance Director	Lisa Dudley	3	Appointed
City Recorder	Elyse Sullivan	8	Appointed
City Engineer	John Miller	8	Appointed

⁽¹⁾ Amounts have been rounded.

⁽²⁾ Mr. Winder was hired by the City as Economic Development Director in February 2018, was appointed to Assistant City Manager in January 2021, and City Manager in March 2022.

Employee Workforce and Retirement System

The City currently employs approximately 61 full-time employees, 11 regular part-time employees, and approximately 45 seasonal and/or temporary employees. The City is a member of the Utah State Retirement Systems (the “Systems”) and participates in a deferred compensation plan.

In accordance with the Government Accounting Standards Board’s Statement 68, Accounting and Financial Reporting for Pensions (“GASB 68”), the City records a liability and expense equal to its proportionate share of the collective net pension liability and expense of the Systems. As of June 30, 2024, the City’s net pension liability was \$425,006. See APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024—Notes to the Financial Statements—7. Retirement Systems and Pension Plan.”

Other Post-Employment Benefits

The City does not have any other post-employment benefits liabilities.

Risk Management

The City is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets, errors and omissions, and natural disasters. The City participates 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 established to be self-sustaining through member premiums and reinsures claims in excess of one million dollars for each insured event through commercial companies. As of June 30, 2024, the City had no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2025, which exceeded its insurance coverage. The City also has fidelity bond coverage with the Trust.

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. 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, among other things, 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, mortgage derivatives, or any security that makes 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 in compliance with all provisions of the Money Management Act for all City operating funds. All City funds other than those required for day-to-day operations are invested in the Utah Public Treasurers’ Investment Fund (“PTIF”), as discussed below.

The Utah Public Treasurers’ Investment Fund. The Utah Treasurers’ Fund is a public treasurers’ investment fund, established in 1981, and is managed by the Treasurer of the State of Utah. The Utah Treasurers’ Fund invests to ensure the safety of principal, liquidity, and a competitive rate of return on short-term investments. All funds transferred to the Utah Treasurers’ Fund are promptly invested in securities authorized by the Money Management Act. Safe-keeping and audit controls for all investments owned by the Utah Treasurers’ Fund must comply with the Money Management Act.

All investments in the Utah Treasurer’s Fund must comply with the Money Management Act and rules of the Money Management Council. The Utah Treasurer’s Fund invests primarily in money market securities, including time certificates of deposit, top-rated commercial paper, 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 Utah Treasurer’s Fund 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 Utah Treasurer’s Fund are completely segregated from securities owned by the State. The State has no claim on assets owned by the Utah Treasurer’s Fund except for any investment of State moneys in the Utah Treasurer’s Fund. Deposits are not insured or otherwise guaranteed by the State.

Securities in the Utah Treasurers’ Fund must be rated “first tier” (“A-1,” “P1,” for short-term investments and “A” or better for long-term investments) by two nationally recognized statistical rating organizations. These securities represent limited risks to governmental institutions investing with the Utah Treasurer’s Fund. Variable rate securities in the Utah Treasurers’ Fund 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 Utah Treasurers’ Fund is reviewed monthly by the Money Management Council and is audited by the State Auditor.

See “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024—Notes to the Financial Statements—Note 3. Deposits and Investments.”

Moneys from the sale of obligations issued by the City or pledged to the payment therefor are also on deposit in funds and accounts of the City and/or trustees of the City. Such funds are typically invested in the Utah Treasurer’s Fund. Investment policies regarding such moneys are governed by the specific instruments pursuant to which such obligations were issued.

Sources of General Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's audited financial statements for the fiscal year ended June 30, 2024.

Taxes—Approximately 77% of general fund revenues are from taxes.

Intergovernmental Revenue—Approximately 7% of general fund revenues are from state shared revenues.

Licenses and Permits—Approximately 7% of general fund revenues are from licenses and permits.

Charges for Services—Approximately 6% of general fund revenues are from charges for services.

Interest—Approximately 3% of general fund revenues are collected from fines and forfeitures.

Fines and Forfeitures and Miscellaneous—Less than 1% of general fund revenues are from miscellaneous revenues and interest on investments.

Five-Year Financial Summaries of the City

The following tables set forth a summary of certain financial information regarding the City and have been extracted from the City's audited basic financial statements for the fiscal years ended June 30, 2020, through June 30, 2024. The following summaries themselves are unaudited. These summaries should be read in conjunction with the audited financial statements of the City appearing in APPENDIX A.

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MILLCREEK, UTAH
Statement of Net Position—Governmental and Business-Type Activities
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Cash and cash equivalents	\$40,526,919	\$48,468,445	\$35,753,258	\$28,621,330	\$13,465,934
Property and other taxes receivable	15,449,603	15,340,384	16,292,394	15,349,418	14,496,669
Accounts receivable	801,405	725,227	547,157	221,485	—
Due from other governments	2,387,800	2,001,413	564,391	516,262	357,318
Net pension asset	—	—	1,105,606	—	—
Prepaid expenses	50,470	131,516	—	6,000	—
Restricted cash & cash equivalents	2,484,392	5,994,909	35,378,180	23,107	7,146,886
<i>Capital assets</i>					
Land	90,545,178	92,342,604	95,821,198	92,067,824	85,847,988
Construction in progress	8,182,364	36,783,491	4,038,657	—	—
Buildings & Improvements	51,194,827	3,449,259	3,449,259	1,149,259	1,149,259
Improvements	10,256,244	11,605,046	11,605,046	6,283,925	1,756,065
Machinery and equipment	1,756,499	1,097,340	979,509	626,653	513,313
Infrastructure	96,302,015	94,949,046	90,056,685	83,173,740	82,440,971
Accumulated depreciation	<u>(15,618,928)</u>	<u>(12,884,476)</u>	<u>(10,629,122)</u>	<u>(8,618,865)</u>	<u>(6,781,428)</u>
Total assets	<u>304,318,788</u>	<u>300,004,204</u>	<u>284,962,218</u>	<u>219,420,138</u>	<u>200,392,975</u>
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions	<u>1,176,371</u>	<u>828,412</u>	<u>586,795</u>	<u>589,286</u>	<u>760,483</u>
LIABILITIES					
Accounts payable	5,235,121	3,055,159	3,039,905	3,313,858	1,069,809
Accrued interest payable	197,541	207,508	151,754	60,150	60,150
Accrued liabilities	162,822	137,224	61,469	338,657	55,364
Deposits	6,105	—	—	—	—
Development bonds	1,757,067	1,511,089	1,431,627	1,504,271	1,560,031
Unearned revenue	—	—	264,000	3,989,825	—
<i>Non-current liabilities</i>					
Due within one year	1,541,550	1,320,825	911,061	188,179	184,603
Due in more than one year	60,176,951	61,582,628	57,625,778	19,994,396	20,164,779
Net pension liability	<u>633,258</u>	<u>425,006</u>	<u>—</u>	<u>97,317</u>	<u>648,162</u>
Total liabilities	<u>69,710,415</u>	<u>68,239,439</u>	<u>63,485,594</u>	<u>29,486,653</u>	<u>23,742,898</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	13,261,573	13,174,031	13,037,500	12,225,860	11,979,600
Relating to pensions	<u>8,318</u>	<u>6,373</u>	<u>1,522,554</u>	<u>693,446</u>	<u>345,410</u>
Total deferred inflows of resources	<u>13,269,891</u>	<u>13,180,404</u>	<u>14,560,054</u>	<u>12,919,306</u>	<u>12,325,010</u>
NET POSITION					
Net investment in capital assets	181,351,521	169,295,124	154,570,059	163,438,100	151,622,208
Restricted for capital projects	439,896	4,949,244	35,882,421	479,219	7,504,204
Unrestricted	<u>40,723,436</u>	<u>45,168,405</u>	<u>17,050,885</u>	<u>13,686,146</u>	<u>5,959,138</u>
Total net position	<u>\$222,514,853</u>	<u>\$219,412,773</u>	<u>\$207,503,365</u>	<u>\$177,603,465</u>	<u>\$165,085,550</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2020-2024. This summary has not been audited.)

MILLCREEK, UTAH
Balance Sheet — General Fund
(This summary has not been audited)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Cash and Cash Equivalents	13,926,164	11,916,749	13,802,705	15,761,613	6,686,553
Restricted cash & investments	1,760,046	1,511,089	217,628	—	—
Receivables -					
Sales, property and franchise taxes	15,125,176	15,106,065	14,792,831	14,198,542	13,511,069
Accounts	95,385	77,835	—	—	—
Intergovernmental	577,800	664,689	564,391	—	—
Class C road funds	—	—	—	516,262	357,318
Prepaid expenditures	<u>36,567</u>	<u>131,516</u>	<u>—</u>	<u>6,000</u>	<u>—</u>
Total assets	<u>\$31,521,138</u>	<u>\$29,407,943</u>	<u>\$29,377,555</u>	<u>\$30,482,417</u>	<u>\$20,554,940</u>
LIABILITIES					
Accounts payable	2,446,915	1,437,059	1,513,971	1,040,428	844,768
Accrued liabilities	151,112	126,356	61,469	338,657	55,364
Deposits	6,105	—	—	—	—
Development bonds	1,757,067	1,511,089	1,431,627	1,504,271	1,560,031
Unearned revenue	<u>—</u>	<u>—</u>	<u>264,000</u>	<u>3,989,825</u>	<u>—</u>
Total liabilities	<u>4,361,199</u>	<u>3,074,504</u>	<u>3,271,067</u>	<u>6,873,181</u>	<u>2,460,163</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	11,911,573	11,824,031	11,687,500	11,075,860	10,994,000
FUND BALANCES					
Restricted - Class C road projects	—	617,178	782,019	516,262	357,318
Nonspendable	36,567	—	—	6,000	—
Unassigned	<u>15,211,799</u>	<u>13,760,714</u>	<u>13,636,969</u>	<u>12,011,114</u>	<u>6,743,459</u>
Total fund balance	<u>15,248,366</u>	<u>14,509,408</u>	<u>14,418,988</u>	<u>12,533,376</u>	<u>7,100,777</u>
Total liabilities, deferred inflows, & fund balances	<u>\$31,521,138</u>	<u>\$29,407,943</u>	<u>\$29,377,555</u>	<u>\$30,482,417</u>	<u>\$20,554,940</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2020-2024. This summary has not been audited.)

MILLCREEK, UTAH
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES					
Taxes	\$33,427,382	\$30,062,882	\$27,244,251	\$25,532,250	\$22,914,081
Licenses & permits	2,840,394	2,258,381	2,667,253	3,475,595	2,221,762
Charges for services	2,390,717	1,724,216	273,508	227,435	99,585
Intergovernmental	2,856,271	4,889,682	11,765,256	7,434,385	3,116,658
Fines & Forfeitures	34,594	24,740	30,012	7,515	—
Interest	1,386,186	852,617	86,479	83,670	282,229
Miscellaneous	<u>313,888</u>	<u>114,491</u>	<u>68,127</u>	<u>260,113</u>	<u>45,044</u>
Total revenues	<u>43,249,432</u>	<u>39,927,009</u>	<u>42,134,886</u>	<u>37,020,963</u>	<u>28,679,359</u>
EXPENDITURES					
General government	6,663,442	7,619,010	6,619,277	7,399,128	5,803,968
Public safety	16,823,177	14,922,319	13,436,161	12,213,011	11,374,782
Streets & public works	6,782,886	6,289,920	6,322,169	5,764,475	6,010,739
Parks & recreation	—	1,726,090	571,069	—	—
Capital outlay	2,610,097	—	—	—	—
Debt service:					
Principal	715,000	680,000	840,000	—	—
Interest	1,065,262	1,099,250	938,358	21,067	109,093
Debt issuance costs	—	—	<u>370,424</u>	<u>35,500</u>	<u>44,500</u>
Total expenditures	<u>34,659,864</u>	<u>32,336,589</u>	<u>29,097,458</u>	<u>25,433,181</u>	<u>23,343,082</u>
Excess of revenues over (under) expenditures	8,589,568	7,590,420	13,037,428	11,587,782	5,336,277
OTHER FINANCING SOURCES (USES)					
Transfers in	24,617	—	—	—	—
Transfers out	(7,500,000)	(7,500,000)	(50,522,240)	(6,155,183)	(3,926,285)
Contributions to other governments	(375,227)	—	—	—	—
Proceeds from bond issuance	—	—	<u>39,370,424</u>	—	—
Total other financing sources (uses)	<u>(7,850,610)</u>	<u>(7,500,000)</u>	<u>(11,151,816)</u>	<u>(6,155,183)</u>	<u>(3,926,285)</u>
Net change in fund balance	738,958	90,420	1,885,612	5,432,599	1,409,992
Fund balance, beginning of year	<u>14,509,408</u>	<u>14,418,988</u>	<u>12,533,376</u>	<u>7,100,777</u>	<u>5,690,785</u>
Fund balance, end of year	<u>\$15,248,366</u>	<u>\$14,509,408</u>	<u>\$14,418,988</u>	<u>\$12,533,376</u>	<u>\$7,100,777</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2020-2024. This summary has not been audited.)

Outstanding Obligations of the City

See below for a list of outstanding debt obligations of the City as of August 1, 2025.

OUTSTANDING SALES TAX REVENUE BONDS⁽¹⁾

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Principal Amount Outstanding</u>
2019	City Center Land & Improvements	\$17,345,000	December 1, 2039	\$17,205,000
2021	City Building	36,265,000	June 1, 2051	<u>33,280,000</u>
			TOTAL	<u>\$49,485,000</u>

⁽¹⁾ These bonds are the City Sales Tax Bonds as discussed herein.

Other Financial Considerations

The City has an outstanding note with the Utah Department of Transportation in the amount of \$5,200,000, which enables the City to construct transportation infrastructure projects. Under legislation adopted by the State legislature in 2021, beginning in fiscal year 2022 and for fifteen years thereafter, the City is entitled to receive an annual allocation from the State to be used on transportation projects. The City uses funds from this State allocation to pay debt service on the note. The note bears interest at 1.69% and matures in October 2037.

No History of Default

To the best knowledge of the City, it believes that it has never failed to pay when due, principal of or interest on its bonds, notes or other obligations.

Additional Information

For additional financial information regarding the City, see the City's Basic Financial Report for the fiscal year ended June 30, 2024, attached hereto as APPENDIX A.

THE AGENCY

General

Millcreek Community Reinvestment Agency is a redevelopment agency and political subdivision of the State duly created and established by Millcreek, Utah, and is authorized under the Community Reinvestment Agency Act to provide financing for redevelopment projects. The Agency has all necessary power and authority to issue its revenue bonds to fund the Series 2025 Project. The Agency's address is 1330 East Chambers Avenue, Millcreek, Utah.

The Series 2025 Bonds are special obligations of the Agency and are secured by and are payable solely from the sources as herein described. The Series 2025 Bonds and the interest thereon are not a debt of the City, the State or any of its other political subdivisions; and neither the City, the State nor any of its other political subdivisions is liable on them, and in no event shall the Series 2025 Bonds or such interest be payable out of any funds or properties other than those of the Agency as set forth in the Indenture. The Series 2025 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The obligation of the City under the Pledge Agreement is a limited obligation payable solely from certain sales and use taxes and is not a general obligation of the City.

Governance

Pursuant to the Community Reinvestment Agency Act, the City Council has been designated as the Board of Directors of the Agency (the “Board”). The Mayor of the City serves as the Chair, and the City Manager serves as Executive Director of the Agency.

The Board consists of the Mayor and members of the City Council, who serve by virtue of their election to the City Council. This part-time Board performs legislative and policy-making duties for the Agency. See “THE CITY—Form of Government” for a list of the Mayor and Councilmembers who serve as the Board of the Agency.

Agency Administration

The Executive Director of the Agency is responsible for the day-to-day administration of the Agency’s affairs. Legal counsel for the Agency is provided by the City Attorney.

Budget Process

The Community Reinvestment Agency Act requires the Agency to prepare and adopt an annual budget prior to June 22 for each of its fiscal years, which begin on July 1 of each year and end on June 30 of the succeeding year. The Agency is required to hold a public hearing, after specified published notice, before it adopts its budget. The adopted budget may be amended, but any increase in total expenditures may be made only after compliance with the public notice and hearing requirements imposed by the Community Reinvestment Agency Act. The Community Reinvestment Agency Act prohibits the Agency from making expenditures in excess of the total expenditures established in the adopted or amended budget.

The Community Reinvestment Agency Act requires the Agency to cause its accounts to be audited annually by a competent certified public accountant and an audit report to be prepared, all at the same time and in the same manner as required by applicable Utah law for other public bodies and agencies.

Investment of Funds

The Agency invests its operating funds in accordance with the same rules and procedures that govern the City. See “THE CITY—Investment of Funds” for a more complete description of the City’s investment policy.

Outstanding Debt of the Agency

The Series 2025 Bonds will be the first issues of bonds of the Agency and will represent the only outstanding obligations of the Agency upon their issuance.

Five-Year Financial Summaries of the Agency

The following tables set forth a summary of certain financial information regarding the Agency and have been extracted from the City’s audited basic financial statements for the fiscal years ended June 30, 2020, through June 30, 2024. The following summaries themselves are unaudited. These summaries should be read in conjunction with the audited financial statements of the City appearing in APPENDIX A.

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MILLCREEK COMMUNITY REINVESTMENT AGENCY, UTAH
Balance Sheet
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$3,232,913	\$2,131,435	\$853,597	\$758,338	\$720,815
Restricted cash and investments	490	754	9,762	23,107	7,146,886
Receivables:					
Property Tax Increment	<u>1,674,427</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,150,876</u>	<u>985,600</u>
Total assets	<u>\$4,907,830</u>	<u>\$3,482,189</u>	<u>\$2,213,359</u>	<u>\$1,932,321</u>	<u>\$8,853,301</u>
<u>LIABILITIES</u>					
Accounts Payable	<u>1,092</u>	<u>46</u>	<u>11,231</u>	<u>1,640</u>	<u>1,881</u>
Total liabilities	<u>1,092</u>	<u>46</u>	<u>11,231</u>	<u>1,640</u>	<u>1,881</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property tax increment	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,150,000</u>	<u>985,600</u>
Total deferred inflows of resources	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,150,000</u>	<u>985,600</u>
<u>FUND BALANCE</u>					
Restricted for Project Improvements	490	754	9,762	23,107	7,146,886
Assigned to Project Areas	<u>3,556,248</u>	<u>2,131,389</u>	<u>842,366</u>	<u>757,574</u>	<u>718,934</u>
Total Fund balance	<u>3,556,738</u>	<u>2,132,143</u>	<u>852,128</u>	<u>780,681</u>	<u>7,865,820</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$4,907,830</u>	<u>\$3,482,189</u>	<u>\$2,213,359</u>	<u>\$1,932,321</u>	<u>\$8,853,301</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2020-2024. This summary has not been audited.)

MILLCREEK COMMUNITY REINVESTMENT AGENCY, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balances
(This summary has not been audited.)

	<i>Fiscal Year Ended June 30,</i>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>REVENUES</u>					
Taxes	\$325,387	\$234,319	\$176,058	\$151,295	\$119,800
Charges for services	—	1,200	3,640	10,514	98,502
Intergovernmental	2,291,684	1,708,081	1,103,033	1,084,763	862,813
Interest	155,665	65,289	8,825	23,785	207,795
Miscellaneous	<u>36</u>	<u>226,364</u>	<u>—</u>	<u>4,235</u>	<u>—</u>
Total revenues	2,772,772	2,235,253	1,291,556	1,274,592	1,288,910
<u>EXPENDITURES</u>					
Community revitalization	626,373	233,438	488,581	7,638,002	13,520,603
Debt Issuance Costs	—	—	—	—	233,462
Debt service:					
Principal	—	—	—	—	—
Interest	<u>721,804</u>	<u>721,800</u>	<u>721,797</u>	<u>721,729</u>	<u>603,505</u>
Total Expenditures	<u>1,348,177</u>	<u>955,238</u>	<u>1,210,378</u>	<u>8,359,731</u>	<u>14,357,570</u>
Excess of revenues over (under) expenditures	<u>1,424,595</u>	<u>1,280,015</u>	<u>81,178</u>	<u>(7,085,139)</u>	<u>(13,068,660)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	—	—	—	—	—
Transfers out	—	—	(1,305,495)	—	—
Sale of capital assets	—	—	1,295,764	—	—
Proceeds from bond issue	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,233,462</u>
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>(9,731)</u>	<u>—</u>	<u>20,233,462</u>
Net change in fund balances	1,424,595	1,280,015	71,447	(7,085,139)	7,164,802
Fund balances, beginning of year	<u>2,132,143</u>	<u>852,128</u>	<u>780,681</u>	<u>7,865,820</u>	<u>701,018</u>
Fund balance, end of year	<u>\$3,556,738</u>	<u>\$2,132,143</u>	<u>\$852,128</u>	<u>\$780,681</u>	<u>\$7,865,820</u>

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2020-2024. This summary has not been audited.)

TAX INCREMENT FINANCING UNDER THE COMMUNITY REINVESTMENT AGENCY ACT

Project Area and Adoption of Project Area Plan

The Agency's purpose, among others, is to prepare and carry out plans for the improvement, rehabilitation, and redevelopment of areas within the territorial limits of the City. To accomplish this objective, the Agency may establish redevelopment project areas in accordance with the requirements of the Community Reinvestment Agency Act. The Agency may then adopt a development plan with the approval of the City, pursuant to which the Agency undertakes the development of the project area (the "Project Area Plan").

The Project Area Plan serves to guide and control the Agency's redevelopment undertakings within a project area. To finance its redevelopment activities within a project area, the Project Area Plan includes a provision (herein referred to as the "Tax Increment Provision") that allocates (1) taxes levied by the Taxing Entities (described under "Base Year Value" below) upon the total taxable value of taxable property within a project area based upon the taxable value shown on each assessment roll last equalized prior to the effective date of each ordinance adopting and amending the Project Area Plan (the "Base Year Value") to each of the respective Taxing Entities according to the tax rate levied by each Taxing Entity and (2) taxes levied by the Taxing Entities at the Aggregate Tax Rate (described under "Base Year Value" below) upon the taxable value of taxable property within the project area that exceeds the Base Year Value (the "Incremental Value") to the Agency for the purposes and subject to the limitations provided in the Community Reinvestment Agency Act. The taxes levied and allocated to the Taxing Entities as described in (1) of the foregoing sentence are herein referred to as the "Base Tax Revenues"; the taxes levied and allocated to the Agency as described in (2) of the foregoing sentence are herein referred to as the "Gross Incremental Tax Revenues."

Base Year Value

The Base Year Value for a project area is the sum of the taxable value of taxable property within the project area as shown on the assessment roll used in connection with the taxation of property by the State, any city, county, school district or other district or public corporation (collectively, the "Taxing Entities"), last equalized prior to the effective date of the ordinance approving the adoption (including amendments) and implementation of a project area plan for the project area. The total Base Year Value for the Millcreek Center CRA for the year 2017 was \$130,666,124. The Base Year Value for a project area is subject to adjustment as described below.

The Base Year Value may be increased or decreased from time to time as provided in the Community Reinvestment Agency Act in each year in which there are increases or decreases in taxable value of taxable property within a redevelopment project area as a result of: (1) statutes enacted by the State Legislature, a judicial decision or an order of the State Tax Commission to a county to adjust or factor its assessment rate; (2) changes in exemptions provided under the State Constitution or certain applicable provisions of State law; and (3) any increase or decrease in the percentage of fair market value to be assessed. See "Utah Property Assessment, Tax Levy And Tax Collection Procedures" below. The Community Reinvestment Agency Act, however, provides that notwithstanding the increase or decrease resulting from any such event, the amount of tax increment revenues to be allocated and paid to the Agency for payment of its bonds or other indebtedness is not to be less than otherwise would have been allocated in the absence of the occurrence of any such event.

Furthermore, in each year in which there are (i) decreases of more than 20%, expressed as a percentage of the prior year's levy, or a cumulative decrease of more than 100% in five years, expressed as a percentage of the levy in effect at the beginning of the five-year period, in the minimum basic levy for school districts or (ii) decreases of more than 20% in the certified tax rate of a county (expressed as a percentage of the previous years certified tax rate of the county), including such decreases as a result of the implementation of the optional 1/4 of 1% sales tax for counties, and such decrease is not offset by an increase in the certified tax rate of a city, school district or special district, that in either case results in a reduction of the amount to be paid to the Agency, the taxable value for the Base Year is reduced to the extent necessary to provide the Agency with approximately the amount of money that would have been paid to the Agency had this decrease as a result of the change in the minimum basic school levy or the county's certified tax rate (as applicable) not taken place.

Base Tax Revenues

The Base Tax Revenues are produced by the Taxing Entities levying ad valorem property taxes at tax rates determined by the respective Taxing Entities, within the limits provided by law, upon the Base Year Value of taxable property within a redevelopment project area. The sum of the tax rates imposed by the various Taxing Entities produces an aggregate tax rate (the “Aggregate Tax Rate”), the amount of which varies from year to year as a result of the changing needs of the Taxing Entities and legislation that may restrict or otherwise limit the tax rates that may be levied by the respective Taxing Entities or the amount of tax revenues that the Taxing Entities may be authorized by law to levy and collect each year. See “BONDOWNERS’ RISKS—Legislative Changes to Ad Valorem Property Tax System” above. There are currently eight taxing entities that levy separate tax rates on taxable property within the Millcreek Center CRA. See “TAX INCREMENT REVENUES—Aggregate Tax Rate in the Project Area” herein.

Incremental Value

The increase in the taxable value of taxable property within a redevelopment project area over the Base Year Value as a result of an agency’s activities and other economic forces is known as the “Incremental Value.” An agency is entitled under the Community Reinvestment Agency Act to an allocation of tax revenues produced from the levy of taxes at the Aggregate Tax Rate on taxable property within a project area only to the extent that such revenues are produced from the Incremental Value. The Taxing Entities, and not the Agency, are entitled to tax revenues produced by taxation imposed on the Base Year Value of taxable property within a project area.

Utah Property Assessment, Tax Levy, and Tax Collection Procedures

Property Assessment. The Property Tax Act, Title 59, Chapter 2, Utah Code Annotated (the “Property Tax Act”), requires that all taxable property within the taxing entity be assessed and taxed at a uniform and equal rate on the basis of 100% of its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Determinations of “fair market value” must take into account the current zoning laws applicable to the property in question. Pursuant to section 2 of Article XIII of the Utah Constitution, the Utah Legislature has provided that the “fair market value” of primary residential property shall be reduced by 45%.

The Property Tax Act requires the State Tax Commission to assess certain types of property (“centrally assessed property”), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal properties, and (v) mines, mining claims and appurtenant machinery, furnishings and improvements, including oil and gas properties. All other taxable property (“locally assessed property”) must be assessed by the county assessor of the county in which such locally assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data. Each county assessor must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires the State Tax Commission to conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation, or accepted practice, to determine the “fair market value” of taxable property.

Many areas within the State have agricultural farmland devoted to the raising of useful plants and animals. For general property tax purposes, agricultural land is assessed based on statutory requirements and the value that the land has for agricultural use or on its agricultural value.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value or, under certain circumstances, the age, of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The uniform fee is 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft,

recreational vehicles, and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed, age-based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to an age-based fee that is due each time the vehicle is registered. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property is distributed.

Property Tax Valuation Agency Fund. The State has created the Property Tax Valuation Agency Fund (the "PTVAF"), to be funded by a statewide levy not to exceed .000300 per dollar of taxable value of taxable property. The purpose of the statewide levy is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection, and distribution of property taxes. Distribution of funds in PTVAF to each county is based on statutory qualification and requirements. Additionally, each county may levy an additional property tax up to .000200 per dollar of taxable value as a "county assessing and collection" levy. If necessary, a county may levy an additional levy to fund state-mandated reappraisal programs.

Tax Levy and Collection. The State Tax Commission must assess all centrally assessed property by May 1 of each year and shall immediately notify the owners or operators of such property and the county assessors, of such assessment. County assessors must assess all taxable property other than centrally assessed property before May 22 of each year. Before May 25 of each year, the State Tax Commission apportions the value of centrally assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a final tax rate before June 30 of each year, except as described below for rates in excess of the certified tax rate. County auditors must forward to the State Tax Commission a statement prepared by the governing body of each taxing entity showing the amount and purpose of each levy.

If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum level permitted by law, must notify the taxing entity that the rate has been lowered, and must notify the county auditor of the county in which the taxing entity is located to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities, and the date their respective county boards of equalization will meet to hear complaints. Not later than 30 days following the mailing of the notice, taxpayers owning property assessed by the county assessors may file an application with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county boards of equalization must render a decision on each appeal no later than October 1 (with extensions requiring State Tax Commission approval). Such decisions may be appealed to the State Tax Commission, which must decide all appeals by March 1 of the following year. Owners of centrally assessed property, or any county with a showing of reasonable cause, may apply to the State Tax Commission on or before June 1 of each year for a hearing to contest the assessment of centrally assessed property. The State Tax Commission must render a written decision no later than 120 days following completion of the hearing and submission of all post-hearing briefs. The county auditors must make a record of all changes, corrections, and orders and, before November 1, must deliver the corrected assessment rolls to their respective county treasurers. By November 1, the county treasurers are to furnish to each taxpayer a notice containing the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property, and the year that the property is subject to a detailed review. Taxes are due November 30 of each year, or, if a Saturday, Sunday, or holiday, the next business day following.

Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay the State and each taxing entity within the county its proportionate share of the taxes, on the tenth day of each month. However, the Agency is generally paid annually its portion of taxes on or before March 31 of each year. Delinquent taxes are subject to a penalty of 2% of the amount of the taxes or \$10.00, whichever is greater. Unless the delinquent taxes and penalty are paid before January 16 of the following year, the amount of delinquent taxes and penalty bears interest at the federal discount rate in effect on January 1, plus 6% from January 1 until paid. If, after four years (March 15 of the fifth year after assessment), delinquent taxes have not been paid, the affected county may advertise and sell the property at a tax sale.

Public Hearing and Election on Certain Tax Increases. Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so, by resolution, only after holding a public hearing. Notice of the public hearing must be mailed by July 22 to all owners of real estate and, in most cases, must be advertised by publication. Generally, the certified tax rate for a taxing entity is the rate necessary to generate the same property tax revenue that the taxing entity collected for the prior year, exclusive of collections from interest and penalties. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. New growth is any increase in taxable value of the taxing entity from the previous calendar year to the current year, less the amount of increase to locally assessed real property taxable values resulting from factoring, reappraisal, or any other adjustments. After the public hearing is held, the taxing entity may adopt a resolution levying a tax in excess of the certified tax rate. If a resolution levying a tax in excess of the certified tax rate is not forwarded to the county auditor by August 17, the county auditor must forward the certified tax rate to the State Tax Commission. The final tax notice is then mailed by November 1.

For a description of the Millcreek CRA and the Tax Increment Revenues, see “TAX INCREMENT REVENUES” herein.

For historical tax increment revenues produced in the Millcreek CRA, see “TAX INCREMENT REVENUES—Tax Increment Collections,” and for a projection of Tax Increment Revenues to be produced within the Millcreek CRA for the term of the Series 2025 Bonds, see “PRO FORMA SCHEDULE OF PLEDGED REVENUES, DEBT SERVICE AND COVERAGE” herein.

BONDOWNERS’ RISKS

The purchase of the Series 2025 Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the Series 2025 Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are described below.

Limited Obligations

THE SERIES 2025 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AGENCY, SECURED SOLELY BY A PLEDGE OF THE PLEDGED REVENUES AND PLEDGED SALES TAX REVENUES. THE SERIES 2025 BONDS ARE NOT GENERAL OBLIGATIONS OR DEBT OF THE CITY, THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS. NEITHER THE CITY, EXCEPT AS SET FORTH IN THE PLEDGE AGREEMENT, THE STATE, NOR ANY OF ITS POLITICAL SUBDIVISIONS SHALL BE LIABLE THEREON. NEITHER THE FAITH AND CREDIT NOR THE AD VALOREM TAXING POWER OF THE CITY, THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2025 BONDS. In no event shall the Series 2025 Bonds give rise to a general obligation or liability of the City, the State, or any of its political subdivisions, or a charge against their general credit or ad valorem taxing powers, or be payable out of any funds or properties other than those of the Agency pledged therefor under the Indenture.

Termination of Lien on Tax Increment Revenues

Tax Increment Revenues to be allocated to the Agency from the participating taxing entities in the Millcreek CRA will terminate in tax year 2042. (The initial expiration year was 2040, but was extended two years due to COVID.) Consequently, the amount of Tax Increment Revenues available to pay debt service on the Series 2025 Bonds is expected to decrease in fiscal year 2043, when a portion of the Tax Increment Revenues will be returned to all of the taxing entities (except the City may determine to continue to pay its portion of the Tax Increment Revenues to the Agency) in the Millcreek CRA. As stated elsewhere in the Official Statement, the final maturity of the Series 2025 Bonds will occur in 2055.*

* Preliminary; subject to change.

No Taxing Power or Related Authority

The Agency has no taxing power and does not control the levy, assessment, or collection of taxes that produce the Tax Increment Revenues that secure the Series 2025 Bonds. As more fully described (including definitions of the following terms) under “TAX INCREMENT FINANCING UNDER THE COMMUNITY REINVESTMENT AGENCY ACT” below, Tax Increment Revenues are produced from the levy of an Aggregate Tax Rate upon the Incremental Value of taxable property within the Tax Increment Area. The Agency does not establish the Aggregate Tax Rate or any portion of the Aggregate Tax Rate, which is the aggregation of tax rates (within the limits provided by law) established by the respective Taxing Entities that impose ad valorem property taxes within the Tax Increment Area. The Aggregate Tax Rate varies from time to time according to the needs of each particular Taxing Entity and the legal limits that may be imposed on each particular Taxing Entity. In addition, the Incremental Value of taxable property within the Tax Increment Area and the methods for determining such Incremental Value may change. The Agency can make no assurance that the Aggregate Tax Rate will not decrease or that the Incremental Value or the methods for determining such Incremental Value will not change as a result of events beyond its control that may have a materially adverse effect on the amount of Tax Increment Revenues allocated to the Agency to pay principal of and interest on the Series 2025 Bonds.

Reliance on Projections

The projected revenues and debt service coverage projections contained herein were prepared by the Agency, but have not been independently verified by any other party. The projections have not been prepared in accordance with generally accepted accounting principles (“GAAP”). The projections are “forward-looking statements” and are subject to the general qualifications and limitations described above. Moreover, the projections rely on various assumptions. There can be no assurance that actual results will be consistent with the assumptions underlying such projections. No guarantee can be made that the projections contained herein will correspond with the results actually achieved in the future because there can be no assurance that actual events will correspond with the assumptions underlying the projections.

Value of Property May Fluctuate

There can be no guarantee that actual results will be consistent with the assumptions made by the Agency in preparing estimates of future Tax Increment Revenues. Further, the value of the property in the Millcreek Center CRA at any given time will be directly affected by market and financial conditions that are not in the Agency’s control. Real property values can fluctuate substantially depending on a variety of factors. There is nothing associated with the property in the Millcreek Center CRA to suggest that its value would remain stable or would not decrease if the general values of property in the City and surrounding area were to decline.

Limited Remedies

Upon the occurrence of an Event of Default under the Indenture, the Trustee is entitled to enforce the covenants and agreements of the Agency by mandamus, suit, or other proceeding at law or in equity. Any judgment will, however, be enforceable only against the Pledged Revenues and Pledged Sales Tax Revenues and other amounts pledged under the Indenture and not against any other funds or properties of the Agency.

The enforceability of the Indenture is also subject to equitable principles affecting the enforcement of creditors’ rights generally and liens securing such rights, the police powers of the State, and the exercise of judicial discretion by State or federal courts.

In addition, due to the delays inherent in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in obtaining judicial remedies to enforce the covenants and agreements of the Agency under the Indenture, to the extent enforceable, could result in delays in any payment of principal of and interest on the Series 2025 Bonds.

Legislative Changes in the Ad Valorem Property Tax System

Any legislation that shifts governmental revenue sources from ad valorem property taxes to a different revenue source could adversely affect the amount of Tax Increment Revenues allocated to the Agency to pay principal of and interest on the Series 2025 Bonds. In addition, the amount of Tax Increment Revenues allocated to the Agency to pay principal of and interest on the Series 2025 Bonds and any Additional Bonds could be reduced by any legislation that (1) restricts or otherwise limits the calculation of assessed or taxable value of taxable property, the tax rates that may be levied by the respective Taxing Entities or the amount of tax revenues that may be generated, (2) broadens property tax exemptions or (3) makes adjustments that increase Base Year Values and thereby decrease Incremental Values. See “TAX INCREMENT FINANCING UNDER THE COMMUNITY REINVESTMENT AGENCY ACT—Utah Property Assessment, Tax Levy and Tax Collection Procedures” herein. Under limited circumstances relating primarily to changes in law as a result of legislative action or judicial decision, the Community Reinvestment Agency Act provides that the amount of tax increment revenues to be allocated to the Agency for payment of bonds or other indebtedness is not to be less than otherwise would have been allocated in the absence of the occurrence of any of such events. See “TAX INCREMENT FINANCING UNDER THE COMMUNITY REINVESTMENT AGENCY ACT—Base Year Value” above.

The Agency cannot predict what, if any, other legislation may be enacted in the future that could adversely affect, to a material extent, the amount of Tax Increment Revenues allocated to the Agency to pay principal of and interest on the Bonds.

Exempt Properties

Certain properties within the Millcreek Center CRA may be exempted from ad valorem taxes pursuant to the status of the ownership or usage of the property, including government or church usage. While the Agency does not know of any pending changes to the present status of properties within the Millcreek Center CRA, the Agency cannot predict what, if any, changes could occur in the ownership or usage of properties within the Millcreek Center CRA, nor can the Agency predict what, if any, other legislation may be enacted in the future that could adversely affect the types of property to be exempted from ad valorem taxes.

Uncertainty of Economic Activity and Pledged Sales Tax Revenues

The amount of Sales Tax Revenues to be collected by the City is dependent on several factors beyond the control of the City, including, but not limited to, the state of the United States economy and the economy of the State and the City. Any one or more of these factors could result in the City receiving less Sales Tax Revenues than anticipated. During periods in which economic activity declines, Sales Tax Revenues are likely to fall as compared to an earlier year. In addition, Sales Tax Revenues are dependent on the volume of the transactions subject to the tax. From time to time, proposals have been made by the Utah State Legislature (the “State Legislature”) to add or remove certain types of purchases from the sales tax. The City cannot predict what impact these issues may have on the Sales Tax Revenues it receives and consequently the amount of Pledged Sales and Use Taxes received by the Agency for the payments of the Series 2025 Bonds.

Legislative Changes to the Local Sales Tax Act

The State Legislature has authority to alter the statutes under which the City derives its various sales and use tax revenues, including specifically the Sales Tax Revenues. From time to time, proposals are discussed and introduced to change these statutes, including changes that could significantly reduce the amount of Sales Tax Revenues the City receives. This can be done by, among other things, expanding or diminishing the sales tax base, reducing rates, or altering the formula by which the tax revenues are allocated among the counties, cities, and towns within the State. The City cannot predict whether the State Legislature will change the sales and use tax base, rates, and/or distribution methods, including changes that could affect its Sales Tax Revenues at some point in the future.

Limitation on Increasing Rates for Sales Tax Revenues

The City currently levies the maximum rate allowed under Utah law for the Sales Tax Revenues. No assurance can be given that the Pledged Sales Tax Revenues received by the Agency will remain sufficient for the payment of the principal or interest on the Series 2025 Bonds, and the City is limited by Utah law in its ability to increase the rate of such taxes.

No Reserve Fund Requirement for the Series 2025 Bonds

Pursuant to the Indenture, each Series of Bonds may be secured by a separate subaccount in the Debt Service Reserve Fund. Upon the issuance of the Series 2025 Bonds, there will be no funding of a subaccount of the Debt Service Reserve Fund with respect to the Series 2025 Bonds.

Natural Disasters and Climate Change

The Agency can give no assurance regarding the effect of wildfires, seismic activity in the State, windstorms, mudslides or other natural disasters or that proceeds of insurance carried by the Agency would be sufficient, if available, to rebuild and reopen the Series 2025 Project or that surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner following a major natural disaster.

Climate change may intensify and increase the frequency of extreme weather events, such as drought, wildfires, floods and heat waves. The loss of life and property damage that could result from such extreme weather events or a major natural disaster could have a material and adverse impact on the City and the local community and economy.

Economic Conditions

Although the City has seen growth in its revenues due to economic conditions, there is no guarantee that such conditions will continue into the future. A decrease in economic activity may cause a decrease in revenues of the Agency and may impact the ability of the Agency to pay principal of and interest on the Series 2025 Bonds. The Agency cannot predict the extent or effect of inflationary, recessionary, or other economic pressures on its revenues.

Cybersecurity

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. At least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy, constituent confidence, and ultimately credit quality. A cyberattack could cause the informational systems of the City to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidents, and reputational damage. To date, the City has not been the subject of a successful materially adverse cyberattack. The City believes it has made all reasonable efforts to ensure that any such attack is not successful and that the information systems of the City are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the City's information systems or other challenges. The City has insurance coverage for cyber liability as part of its insurance coverage through the Utah Local Government Trust, a public agency insurance mutual.

LEGAL MATTERS

Litigation

A non-litigation certificate executed by the Agency and the City, dated the date of closing, will be provided stating, among other things, that to the best of their knowledge, after due inquiry, 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 Agency or the City, or the titles of

its officers to their respective offices, or the legality or validity of the Indenture, the Pledge Agreement, the Millcreek Center CRA Project Area Plan, the Millcreek Center CRA or any of the Agency's activities with respect to the adoption and implementation of the Millcreek Center CRA Project Area Plan, the execution of the Indenture and the Pledge Agreement, or the designation of the Millcreek Center CRA Project Area, or seeking to restrain or enjoining the issuance, sale or delivery of the Series 2025 Bonds, or for the purpose of restraining or enjoining the allocation of Pledged Revenues, Pledged Sales Tax Revenues, or any other revenues to the Agency or the City, or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2025 Bonds are issued, the legality of the purpose for which the Series 2025 Bonds are issued or the validity of the Series 2025 Bonds or the issuance thereof or the security therefor.

Approval of Legal Proceedings

All legal matters incident to the authorization and issuance of the Series 2025 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the Agency. The expected form of the opinion of Bond Counsel is attached to this Official Statement as APPENDIX E. The approving opinion of Bond Counsel will be delivered with the Series 2025 Bonds. Certain legal matters will be passed upon for the Agency and the City by John Brems, Esq., City Attorney. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the Agency. Certain legal matters will be passed upon for the Underwriter by its counsel, Farnsworth Johnson PLLC.

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 2025 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 2025 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 2025 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 2025 Bonds.

Opinion of Bond Counsel

The Series 2025A Bonds. In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Agency, under the law currently existing as of the issue date of the Series 2025A Bonds:

Federal Tax Exemption. The interest on the Series 2025A 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. Interest on the Series 2025A Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2025A Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Bond counsel's opinions are provided as of the date of the original issue of the Series 2025A Bonds, subject to the condition that the Agency comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2025A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Agency and the City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2025A Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025A Bonds.

The Series 2025B Bonds. In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Agency, under the law currently existing as of the issue date of the Series 2025B Bonds, the interest on the Series 2025B Bonds is includable in gross income for federal income tax purposes.

State of Utah Tax Exemption. The interest on the Series 2025 Bonds is exempt from State of Utah individual income taxes.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state, or local tax consequences arising with respect to the Series 2025 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 2025A Bond over its issue price. The stated redemption price at maturity of a Series 2025A Bond is the sum of all payments on the Series 2025A Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025A Bond is generally the first price at which a substantial amount of the Series 2025A 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 2025A Bond during any accrual period generally equals (1) the issue price of that Series 2025A Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2025A 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 2025A 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 2025A 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 2025A Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2025A Bond is the sum of all payments on the Series 2025A Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2025A Bond is generally the first price at which a substantial amount of the Series 2025A 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 2025A Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Series 2025A 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 2025A 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 Series 2025A Bonds. Upon the sale, exchange, or retirement (including redemption) of a Series 2025A Bond, an owner of the Series 2025A 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 actually or constructively received on the sale, exchange, or retirement of the Series 2025A Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Series 2025A Bond. To the extent a Series 2025A 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 2025A 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 2025A Bonds, and to the proceeds paid on the sale of the Series 2025A 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 2025A Bonds should be aware that ownership of the Series 2025A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, 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 2025A Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2025A 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 2025A Bonds, including the possible application of state, local, foreign, and other tax laws.

Bond Counsel notes that interest on the Series 2025A Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

UNDERWRITING

The Series 2025 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, as the underwriter (the “Underwriter”) pursuant to a Bond Purchase Contract between the Agency and the Underwriter (the “Purchase Contract”). The Purchase Contract provides that the Underwriter will purchase all of the Series 2025A Bonds, if any are purchased, at a purchase price of \$[] (representing the par amount of the Series 2025A Bonds plus [net] original issue premium of \$[] and less Underwriter’s discount of \$[] and all of the Series 2025B Bonds, if any are purchase, at a purchase price of \$[] (representing the par amount of the Series 2025A Bonds plus [net] original issue premium of \$[] and less Underwriter’s discount of \$[]).

The Purchase Contract pursuant to which the Series 2025 Bonds are being sold provides that the Underwriter will purchase not less than all of the Series 2025 Bonds. The Underwriter’s obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel, and certain other conditions.

The Underwriter may offer and sell the Series 2025 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering price may be changed from time to time by the Underwriter.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Agency or the City and to persons and entities with relationships with the Agency or the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Agency or the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Agency or the City.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color, or trading ideas and/or publish or express independent research views in respect of such assets, securities, or instruments, and may at any time hold, or recommend to clients that they should acquire such assets, securities, and instruments. Such investment and securities activities may involve securities and instruments of the Agency or the City.

BOND RATINGS

S&P Global Ratings (“S&P”) and Fitch Ratings Inc. (“Fitch”) have assigned municipal bond ratings of “AA+” and “AA+,” respectively, to the Series 2025 Bonds. Such ratings do not constitute a recommendation by either rating agency to buy, sell or hold the Series 2025 Bonds. Such ratings reflect only the views of the rating agencies and any desired explanation of the significance of a rating should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

Any explanation of the significance of a rating may be obtained only from the rating service furnishing the same. There is no assurance that the rating given the outstanding obligations will be maintained for any period of time or that the 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 ratings may have an adverse effect on the market price of such outstanding obligations.

CONTINUING DISCLOSURE UNDERTAKING

The Agency will undertake for the benefit of the Bondholders and the beneficial owners of the Series 2025 Bonds to provide certain annual financial information and operating data to the MSRB and the Agency will undertake for the benefit of the Bondholders and beneficial owners of the Series 2025 Bonds to provide notice of certain enumerated events, if material, 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 Agency.

This will be the Agency’s first financing subject to the Rule.

A failure by the Agency to comply with the Continuing Disclosure Undertaking will not constitute a default under the Indenture, and beneficial owners of the Series 2025 Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. See “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING—Default.” A failure by the Agency 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 2025 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2025 Bonds and their market price.

Additionally, in order to assist the Agency, the City will acknowledge the Agency’s obligations under the Continuing Disclosure Undertaking and will assist the Agency in preparing certain of the annual financial information and operating data. The City has previously been subject to continuing disclosure obligations. The City’s audited financial statements and operating data filings for the fiscal year ended June 30, 2020, were made four days late. Except to the extent the preceding is deemed to be material, in the previous five years the City believes it has not failed to comply in all material respects with any previous undertakings under the Rule.

MISCELLANEOUS

Independent Auditors

The audited financial statements of the City at and for the fiscal year ended June 30, 2024, contained in “APPENDIX A” to this Official Statement, have been audited by HBME, LLC (“HBME”), independent auditors, as set forth in their report included in “APPENDIX A” hereto. HBME has not been asked to provide its consent to the inclusion of the audit in this Official Statement, nor has HBME performed any additional procedures relating to this Official Statement.

Municipal Advisor

The Agency has engaged LRB Public Finance Advisors, Inc., Salt Lake City, Utah (the “Municipal Advisor”), to provide financial recommendations and guidance to the Agency with respect to preparation for sale of the Series 2025 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors relating to the sale of the Series 2025 Bonds. The Municipal Advisor has read and participated in the drafting of certain provisions 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 Agency or 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 2025 Bonds.

Additional Information

The Agency and the City have furnished all information in this Official Statement relating to the Agency and the City. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates herein will be realized.

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.

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

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

This Official Statement has been duly approved, executed, and delivered by the Millcreek Community Reinvestment Agency and Millcreek, Utah.

**MILLCREEK COMMUNITY REINVESTMENT
AGENCY**

MILLCREEK, UTAH

APPENDIX A

**AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR
FISCAL YEAR ENDED JUNE 30, 2024**

MILLCREEK

**Basic Financial Statements
and
Independent Auditor's Report**

**As of and for the Year Ended
June 30, 2024**



COMMITTED. EXPERIENCED. TRUSTED.

MILLCREEK

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MILLCREEK

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Millcreek, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Millcreek, Utah (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the pension schedules on pages 49 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budgetary comparison information is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2024, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

NBME, LLC

December 16, 2024
Bountiful, Utah

Management's Discussion and Analysis

As management of Millcreek (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements which follow this section.

To help the reader with navigation of this report, the City's activities are classified in the following manner: governmental activities refer to general administration, streets, parks, public safety, planning, recreation and community events, etc., while business-type activities refer to the Stormwater Utility Fund. The Stormwater fund was established in fiscal year 2021 to account for storm sewer utility charges for services and expenses related to the City's stormwater system. Fees are collected by PacifiCorp through their current billing system and then remitted to the City.

FINANCIAL HIGHLIGHTS

As of the end of the current fiscal year,

- The total assets of the City plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$222,514,853 (net position). This amount included an unrestricted net position of \$40,723,436; which may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net position of governmental activities of \$197,845,475 is made up of \$162,194,893 in capital assets such as land, infrastructure and equipment, net of any related debt outstanding; \$439,896 restricted for capital projects and the remaining \$35,210,686 of unrestricted net position.
- The total net position of business-type activities of \$24,669,378 was made up of \$19,156,628 in capital assets, such as equipment and infrastructure, less any long-term debt outstanding, and \$5,512,750 which is considered unrestricted.
- Total liabilities of the City plus deferred inflows of resources was \$82,980,306. Of that amount, \$82,770,935 was related to governmental activities and \$209,371 to business-type activities.
- All long-term debt of the City is held by its governmental activities, with the exception of any compensated absences and pension-related liabilities that are held by its business-type activities.

REPORTING THE CITY AS A WHOLE

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information and other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you will also need to consider other nonfinancial factors.
- The statement of activities presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all the current year's revenues and expenses are considered regardless of when cash is received or paid.

Both government-wide financial statements distinguish functions of Millcreek that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements include not only the City itself, but the following blended component units: The Millcreek Community Reinvestment Agency (Reinvestment Agency) and the Millcreek Community Foundation (Community Foundation or Foundation). Both the Reinvestment Agency and the Community

Foundation are legally separate entities governed by boards consisting of the City Council members. For financial reporting purposes, they are reported as if they were part of the City's operations because their governing boards are the City Council; therefore, the City Council is financially accountable and has significant influence over the programs, projects, activities, and level of services performed or provided by these organizations.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. The fund statements focus on how money flows into and out of these funds and the balances of spendable resources available at the end of the year. year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.
- The City maintains five individual governmental funds, three of which are major funds. The funds include the General Fund, the Community Reinvestment Agency, the Capital Projects Fund, the Park Impact Fee Fund (non-major) and the Community Foundation special revenue fund (non-major). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of these funds. The basic governmental fund financial statements can be found on pages 13-18 of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- Proprietary funds - The City also maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Millcreek's Stormwater Utility Fund is accounted for as an enterprise fund; information about this fund can be found on pages 19-21.
- Fiduciary funds - The City maintains one fiduciary fund. Fiduciary funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. Millcreek serves in this capacity for the Community Renewable Energy Agency (CRE). The CRE is a coalition of counties and other municipalities that are working to launch a renewable electricity option for customers of Rocky Mountain Power, a major utility provider, in their respective communities. Information about the CRE fiduciary fund can be found on pages 22-23 of this report.

Notes to the financial statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the financial statements are located after the statements for major funds as listed in the table of contents.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$222,514,853 at the close of the most recent fiscal year.

The City's overall financial position improved in fiscal year 2024. Total net position increased by \$3,102,080; net position from current year activities for governmental activities increased by \$1,793,275 while net position of business-type activities increased by \$1,308,805.

By far, the largest portion of the City's net position (82%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 56,099,584	\$ 68,637,575	\$ 5,601,005	\$ 4,024,319	\$ 61,700,589	\$ 72,661,894
Capital assets	223,461,571	207,679,423	19,156,628	19,662,887	242,618,199	227,342,310
Total assets	279,561,155	276,316,998	24,757,633	23,687,206	304,318,788	300,004,204
Deferred outflows of resources:						
Deferred outflows related to pensions	1,055,255	745,571	121,116	82,841	1,176,371	828,412
Current and other liabilities	7,264,446	4,585,280	94,210	325,700	7,358,656	4,910,980
Long-term liabilities outstanding	62,237,450	63,245,323	114,309	83,136	62,351,759	63,328,459
Total liabilities	69,501,896	67,830,603	208,519	408,836	69,710,415	68,239,439
Deferred inflows of resources:						
Deferred property tax revenue	13,261,573	13,174,031	-	-	13,261,573	13,174,031
Deferred inflows related to pensions	7,466	5,735	852	638	8,318	6,373
Total deferred inflows of resources	13,269,039	13,179,766	852	638	13,269,891	13,180,404
Net Position:						
Invested in capital assets, net of related debt	162,194,893	149,632,237	19,156,628	19,662,887	181,351,521	169,295,124
Restricted for:						
Capital projects	439,896	4,949,244	-	-	439,896	4,949,244
Unrestricted	35,210,686	41,470,719	5,512,750	3,697,686	40,723,436	45,168,405
Total net position	\$ 197,845,475	\$ 196,052,200	\$ 24,669,378	\$ 23,360,573	\$ 222,514,853	\$ 219,412,773

Governmental activities' net position benefitted from an increase of \$15.8 million in capital assets and increases in sales tax and municipal energy tax contributed to a \$4.5 million increase in governmental activities' unrestricted net position. The governmental activities experienced a decrease in restricted net position of \$4.5 million owing to the completion of the new City Hall building. Unrestricted business-type activities' net position increased by \$1.8 million, which resulted due to timing of several large storm drain maintenance projects that began in fiscal year 2024 but were not completed at June 30.

Business-type activities increased the City's net position by \$1,308,805. During FY2024 the Stormwater fund collected \$3,242,279 from charges for services and expended \$2,138,306 in operating expenses.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 5,265,705	\$ 4,008,537	\$ 3,242,279	\$ 3,200,912	\$ 8,507,984	\$ 7,209,449
Operating grants & contributions	2,856,271	4,620,932	-	114,824	2,856,271	4,735,756
Capital grants & contributions	3,446,643	6,137,765	-	-	3,446,643	6,137,765
General revenues:						
Property taxes	12,902,345	12,666,442	-	-	12,902,345	12,666,442
Cable franchise taxes	548,288	688,940	-	-	548,288	688,940
General sales taxes	16,587,264	15,216,279	-	-	16,587,264	15,216,279
Energy sales and use taxes	3,714,872	1,725,540	-	-	3,714,872	1,725,540
Interest income	2,413,974	2,354,471	204,832	96,034	2,618,806	2,450,505
Other	851,049	420,203	-	-	851,049	420,203
Total Revenues	48,586,411	47,839,109	3,447,111	3,411,770	52,033,522	51,250,879
Expenses:						
General government	9,066,654	11,470,993	-	-	9,066,654	11,470,993
Public safety	16,823,177	14,922,319	-	-	16,823,177	14,922,319
Streets / public works	15,971,914	7,674,709	-	-	15,971,914	7,674,709
Parks and recreation	2,678,864	1,794,175	-	-	2,678,864	1,794,175
Community revitalization	626,373	233,438	-	-	626,373	233,438
Interest on long-term debt	1,626,154	1,630,656	-	-	1,626,154	1,630,656
Stormwater	-	-	2,138,306	1,615,181	2,138,306	1,615,181
Total Expenses	46,793,136	37,726,290	2,138,306	1,615,181	48,931,442	39,341,471
Increase in Net Position	1,793,275	10,112,819	1,308,805	1,796,589	3,102,080	11,909,408
Net position beginning	196,052,200	185,939,381	23,360,573	21,563,984	219,412,773	207,503,365
Net position ending	\$ 197,845,475	\$ 196,052,200	\$ 24,669,378	\$ 23,360,573	\$ 222,514,853	\$ 219,412,773

ANALYSIS OF GOVERNMENT'S FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. As of June 30, 2024, the City's governmental fund balances totaled \$35,771,106, which is a decrease of \$15,314,666 from the prior year. The major contributor to the decrease in the aggregate governmental fund balances was the increase in capital expenditures related to construction of the new city hall. This project was accounted for in the Capital Projects Fund. The General Fund is the chief operating fund of the City. All activities, which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures, are accounted for in this fund.

At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,211,799, while total fund balance was \$15,248,366. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At June 30, 2024, unassigned fund balance in the General Fund represents 44% of total general fund expenditures.

The City maintains only one type of proprietary fund, an enterprise fund, which is used to report the same type of information found in the government-wide financial statements' business-type activities, but in greater detail. Net position of the stormwater fund at the end of the year was \$24,669,378. Net position increased by \$1,308,805 from the preceding year. Unrestricted net position of the Stormwater Utility Fund at the end of the year was \$5,512,750 an increase of \$1,815,064 over the prior year. Many of the stormwater maintenance projects that have been identified are extremely costly, it will take the enterprise fund several years to accumulate reserves sufficient to address some of its stormwater maintenance concerns.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund's original budget was amended when needed, resulting in an increase in revenues from the original budget of \$33,771,595 to \$42,699,313 which is an increase of \$8,927,718. The majority of this increase, \$3.4 million, was due to mid-year budget amendments for various types of ad valorem taxes and fees in lieu of taxes that are distributed by Salt Lake County along with the regular distributions of property taxes collected. These additional tax categories were not considered in the original budget. Another contributing factor to the increase in the General Fund revenue budget was the inclusion of the City's share of the gasoline taxes. The original budget did not include this distribution from the State of Utah; however, the final budget included \$2.3 million in intergovernmental revenue for the gasoline tax distribution.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The City's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$223,461,571 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure (streets, curb, gutter, and sidewalks, bridges, etc.), facilities, and equipment. The City's investment in capital assets for its business-type activities as of June 30, 2024, equals \$19,156,628 (net of accumulated depreciation). This investment in capital assets includes storm drain infrastructure and equipment.

The City's additions to capital asset (includes both governmental and business-type activities) during fiscal year 2024 total \$59,699,489, which includes the following:

- Land, buildings (City Hall and other buildings within Millcreek Common) and buildings in progress (parking structure) in the amount of \$57,687,358.
- Infrastructure, streets, vehicles and equipment of \$2,012,128.

CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital Assets						
Land	\$ 90,545,178	\$ 92,342,604	\$ -	\$ -	\$ 90,545,178	\$ 92,342,604
Construction in progress	8,182,364	36,783,491	-	-	8,182,364	36,783,491
Buildings	51,194,827	3,449,259	-	-	51,194,827	3,449,259
Improvements	10,256,244	11,605,046	-	-	10,256,244	11,605,046
Machinery and equipment	1,457,978	798,819	298,521	298,521	1,756,499	1,097,340
Infrastructure	73,974,317	72,621,348	22,327,698	22,327,698	96,302,015	94,949,046
Accumulated depreciation	(12,149,337)	(9,921,144)	(3,469,591)	(2,963,332)	(15,618,928)	(12,884,476)
Total Capital Assets	\$ 223,461,571	\$ 207,679,423	\$ 19,156,628	\$ 19,662,887	\$ 242,618,199	\$ 227,342,310

Additional information on the City's capital assets can be found in Note 5 to this financial report and the supplemental section.

Long-term debt – At June 30, 2024, the City had \$51,375,000 in bonds payable. To fund the acquisition of real property and construction of public space within the City Center Community Reinvestment Area (CRA), the City issued sales tax revenue bonds for \$17,345,000 in June of 2019. On August 5, 2021, the City issued Series 2021 Sales Tax Revenue Bonds in the amount of \$36,265,000. Proceeds from the sale of the Series 2021 bonds were used to finance expenses associated with building a new city hall. In fiscal year 2024, the City paid interest on all bonds in the amount of \$1,787,050. Both Series 2019 and Series 2021 were issued at a premium.

LONG-TERM DEBT

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Sales tax revenue bonds	\$ 51,375,000	\$ 52,090,000	\$ -	\$ -	\$ 51,375,000	\$ 52,090,000
Bond premium	4,991,842	5,237,990	-	-	4,991,842	5,237,990
Note payable	4,899,836	5,200,000	-	-	4,899,836	5,200,000
Compensated absences	402,923	382,505	48,900	42,501	451,823	425,006
Net pension liability	567,849	334,828	65,409	40,635	633,258	375,463
Total long-term debt	62,237,450	63,245,323	114,309	83,136	62,351,759	63,328,459

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At June 30, 2024, the Unemployment rate for Salt Lake County (of which the City is part) was 3.1% compared with the State unemployment rate of 3.0% and a national rate of 4.1%. This compares with the prior year's rates of 2.5%, 2.6% and 3.6% respectively (Source: Utah Department of Workforce Service). These factors were considered when preparing for the City's FY2025 budget.

The City's FY2025 budget will include the cost of continued outsourced services:

- Police protection (Unified Police Department)
- Animal services (Salt Lake County Animal Services)
- Park Maintenance (Salt Lake County Parks Department)
- Public works services (Salt Lake County Public Works)

The FY2025 budget will also include project budgets for additional pavement preservation, the completion of roadway reconstruction projects (including 900 E, 1300 E, and 2000 E), a multi-use path along 3900 S, the completion of a parking structure attached to City Hall, and the completion of a 10-court pickleball complex.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Millcreek Finance Director
1330 E Chambers Avenue
Millcreek, UT 84106

MILLCREEK
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 35,629,934	\$ 4,896,985	\$ 40,526,919
Receivables:			
Property and other taxes	15,449,603	-	15,449,603
Accounts	97,385	704,020	801,405
Due from other governments	2,387,800	-	2,387,800
Prepaid expenses	50,470	-	50,470
Restricted cash and cash equivalents	2,484,392	-	2,484,392
Capital assets:			
Land	90,545,178	-	90,545,178
Construction in progress	8,182,364	-	8,182,364
Buildings and improvements	51,194,827	-	51,194,827
Improvements	10,256,244	-	10,256,244
Machinery and equipment	1,457,978	298,521	1,756,499
Infrastructure	73,974,317	22,327,698	96,302,015
Accumulated depreciation	(12,149,337)	(3,469,591)	(15,618,928)
Total assets	279,561,155	24,757,633	304,318,788
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Related to pensions	1,055,255	121,116	1,176,371
Total deferred outflows of resources	1,055,255	121,116	1,176,371
<u>LIABILITIES</u>			
Accounts payable	5,152,621	82,500	5,235,121
Accrued interest payable	197,541	-	197,541
Accrued liabilities	151,112	11,710	162,822
Deposits	6,105	-	6,105
Development bonds	1,757,067	-	1,757,067
Non-current liabilities:			
Due within one year	1,504,875	36,675	1,541,550
Due in more than one year	60,164,726	12,225	60,176,951
Net pension liability	567,849	65,409	633,258
Total liabilities	69,501,896	208,519	69,710,415
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable property tax revenue	13,261,573	-	13,261,573
Related to pensions	7,466	852	8,318
Total deferred inflows of resources	13,269,039	852	13,269,891
<u>NET POSITION</u>			
Net investment in capital assets	162,194,893	19,156,628	181,351,521
Restricted for:			
Capital projects	439,896	-	439,896
Unrestricted	35,210,686	5,512,750	40,723,436
Total net position	\$ 197,845,475	\$ 24,669,378	\$ 222,514,853

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenues and		
					Changes in Net Position		
	Expenses	Charges for	Operating	Capital	Governmental	Business-type	Total
		Services	Grants and	Grants and	Activities	Activities	
			Contributions	Contributions			
<u>GOVERNMENTAL ACTIVITIES</u>							
General government	\$ 9,066,654	\$ 5,265,705	\$ -	\$ -	\$ (3,800,949)		\$ (3,800,949)
Public safety	16,823,177	-	-	-	(16,823,177)		(16,823,177)
Streets and public works	15,971,914	-	2,856,271	821,321	(12,294,322)		(12,294,322)
Parks and recreation	2,678,864	-	-	333,638	(2,345,226)		(2,345,226)
Community revitalization	626,373	-	-	2,291,684	1,665,311		1,665,311
Interest expense	1,626,154	-	-	-	(1,626,154)		(1,626,154)
Total governmental activities	46,793,136	5,265,705	2,856,271	3,446,643	(35,224,517)		(35,224,517)
<u>BUSINESS TYPE ACTIVITIES</u>							
Storm Water	2,138,306	3,242,279	-	-		1,103,973	1,103,973
Total business-type activities	2,138,306	3,242,279	-	-		1,103,973	1,103,973
Total primary government	\$ 48,931,442	\$ 8,507,984	\$ 2,856,271	\$ 3,446,643	(35,224,517)	1,103,973	(34,120,544)
<u>GENERAL REVENUES</u>							
Taxes:							
Property taxes					12,902,345	-	12,902,345
Cable franchise taxes					548,288	-	548,288
General sales taxes					16,587,264	-	16,587,264
Energy sales taxes					3,714,872	-	3,714,872
Interest income					2,413,974	204,832	2,618,806
Miscellaneous					851,049	-	851,049
Total general revenues					37,017,792	204,832	37,222,624
Change in net position					1,793,275	1,308,805	3,102,080
Net position - beginning					196,052,200	23,360,573	219,412,773
Net position - ending					\$ 197,845,475	\$ 24,669,378	\$ 222,514,853

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Balance Sheet – Governmental Funds
June 30, 2024

	General Fund	Special Revenue Community Reinvestment Agency	Capital Projects Fund	Total Nonmajor Funds	Totals Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 13,926,164	\$ 3,232,913	\$ 18,470,857	\$ -	\$ 35,629,934
Restricted cash and investments	1,760,046	490	37	723,819	2,484,392
Receivables:					
Sales, property and franchise taxes	15,125,176	324,427	-	-	15,449,603
Accounts	95,385	-	-	2,000	97,385
Intergovernmental	577,800	1,350,000	460,000	-	2,387,800
Prepaid expenditures	36,567	-	13,903	-	50,470
Total assets	<u>\$ 31,521,138</u>	<u>\$ 4,907,830</u>	<u>\$ 18,944,797</u>	<u>\$ 725,819</u>	<u>\$ 56,099,584</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 2,446,915	\$ 1,092	\$ 2,679,997	\$ 24,617	\$ 5,152,621
Accrued liabilities	151,112	-	-	-	151,112
Deposits	6,105	-	-	-	6,105
Development bonds	1,757,067	-	-	-	1,757,067
Total liabilities	<u>4,361,199</u>	<u>1,092</u>	<u>2,679,997</u>	<u>24,617</u>	<u>7,066,905</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property tax revenue	11,911,573	1,350,000	-	-	13,261,573
Total deferred inflows of resources	<u>11,911,573</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>	<u>13,261,573</u>
<u>FUND BALANCE</u>					
Nonspendable	36,567	-	13,903	-	50,470
Restricted					
Community foundation	-	-	-	54,325	54,325
Capital projects	-	490	37	646,877	647,404
Total restricted	<u>-</u>	<u>490</u>	<u>37</u>	<u>701,202</u>	<u>701,729</u>
Assigned to:					
Special revenue fund	-	3,556,248	-	-	3,556,248
Capital projects fund	-	-	16,250,860	-	16,250,860
Total assigned	<u>-</u>	<u>3,556,248</u>	<u>16,250,860</u>	<u>-</u>	<u>19,807,108</u>
Unassigned	15,211,799	-	-	-	15,211,799
Total fund balances	<u>15,248,366</u>	<u>3,556,738</u>	<u>16,264,800</u>	<u>701,202</u>	<u>35,771,106</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,521,138</u>	<u>\$ 4,907,830</u>	<u>\$ 18,944,797</u>	<u>\$ 725,819</u>	<u>\$ 56,099,584</u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Reconciliation to the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Total Governmental Funds	\$ 35,771,106
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	223,461,571
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Net pension assets and liabilities and deferred pension outflows and inflows are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.	479,940
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(61,867,142)</u>
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Net Position - Governmental Activities	<u><u>\$ 197,845,475</u></u>
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The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Special Revenue Community Reinvestment Agency	Capital Projects Fund	Total Nonmajor Funds	Totals Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 33,427,382	325,387	\$ -	\$ -	\$ 33,752,769
Impact fees	-	-	-	333,638	333,638
Licenses and permits	2,840,394	-	-	-	2,840,394
Charges for services	2,390,717	-	-	-	2,390,717
Intergovernmental	2,856,271	2,291,684	818,821	2,500	5,969,276
Fines and forfeitures	34,594	-	-	-	34,594
Interest	1,386,186	155,665	837,388	34,735	2,413,974
Miscellaneous	313,888	36	460,000	77,125	851,049
Total revenues	<u>43,249,432</u>	<u>2,772,772</u>	<u>2,116,209</u>	<u>447,998</u>	<u>48,586,411</u>
<u>EXPENDITURES</u>					
Current					
General government	6,663,442	-	-	-	6,663,442
Public safety	16,823,177	-	-	-	16,823,177
Streets and public works	6,782,886	-	7,733,549	-	14,516,435
Parks and recreation	2,610,097	-	-	683	2,610,780
Community revitalization	-	626,373	-	-	626,373
Debt service:					
Principal	715,000	-	300,164	-	1,015,164
Interest	1,065,262	721,804	95,203	-	1,882,269
Capital outlay	-	-	21,059,719	-	21,059,719
Total expenditures	<u>34,659,864</u>	<u>1,348,177</u>	<u>29,188,635</u>	<u>683</u>	<u>65,197,359</u>
Excess of revenues over (under) expenditures	<u>8,589,568</u>	<u>1,424,595</u>	<u>(27,072,426)</u>	<u>447,315</u>	<u>(16,610,948)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	24,617	-	7,500,000	-	7,524,617
Transfers out	(7,500,000)	-	-	(24,617)	(7,524,617)
Sale of land	-	-	1,671,509	-	1,671,509
Contributions to other governments	(375,227)	-	-	-	(375,227)
Total other financing sources (uses)	<u>(7,850,610)</u>	<u>-</u>	<u>9,171,509</u>	<u>(24,617)</u>	<u>1,296,282</u>
Net change in fund balances	738,958	1,424,595	(17,900,917)	422,698	(15,314,666)
Fund balances, beginning of year	<u>14,509,408</u>	<u>2,132,143</u>	<u>34,165,717</u>	<u>278,504</u>	<u>51,085,772</u>
Fund balances, end of year	<u>\$ 15,248,366</u>	<u>\$ 3,556,738</u>	<u>\$ 16,264,800</u>	<u>\$ 701,202</u>	<u>\$ 35,771,106</u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of
Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (15,314,666)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and asset transfers exceed capital outlays and contributions in the current period.	15,782,148
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,271,279
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>54,514</u>
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Change in net position - governmental activities	<u>\$ 1,793,275</u>
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The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<u>REVENUES</u>				
Taxes	\$ 29,728,095	\$ 33,130,595	\$ 33,427,382	\$ 296,787
Licenses and permits	2,000,500	2,825,500	2,840,394	14,894
Charges for service	1,060,000	2,237,918	2,390,717	152,799
Intergovernmental	213,000	2,600,300	2,856,271	255,971
Fines and forfeitures	20,000	35,000	34,594	(406)
Interest	750,000	1,500,000	1,386,186	(113,814)
Miscellaneous	-	370,000	313,888	(56,112)
Total revenues	<u>33,771,595</u>	<u>42,699,313</u>	<u>43,249,432</u>	<u>550,119</u>
<u>EXPENDITURES</u>				
Current:				
General government:				
Mayor and city council	536,000	543,500	482,728	60,772
City management	311,000	311,250	300,159	11,091
Recorder	247,100	167,100	146,925	20,175
Communications and programs	555,250	625,250	532,551	92,699
Emergency management	150,700	150,700	128,462	22,238
Justice court	215,000	215,000	113,047	101,953
Legal	512,250	407,250	315,453	91,797
Information center	223,900	185,800	135,291	50,509
IT management	547,000	640,000	570,681	69,319
Economic development	148,600	169,350	136,069	33,281
Business licenses	203,750	219,000	208,863	10,137
Finance	603,500	665,950	642,818	23,132
Human resources	69,500	63,000	42,221	20,779
Nondepartmental	280,000	334,500	200,814	133,686
Facilities	936,250	997,250	846,250	151,000
Fleet	75,000	228,500	205,818	22,682
Planning and zoning	1,407,500	1,332,500	1,303,449	29,051
Promise program	356,000	430,350	351,843	78,507
Public safety	17,015,485	17,024,985	16,823,177	201,808
Streets and public works	4,772,752	7,125,452	6,782,886	342,566
Parks and recreation	1,985,450	2,849,650	2,610,097	239,553
Debt service:				
Principal	715,000	715,000	715,000	-
Interest	1,065,250	1,065,250	1,065,262	(12)
Total expenditures	<u>32,932,237</u>	<u>36,466,587</u>	<u>34,659,864</u>	<u>1,806,723</u>
Excess of revenues over expenditures	<u>839,358</u>	<u>6,232,726</u>	<u>8,589,568</u>	<u>(1,256,604)</u>
Transfers in	-	-	24,617	24,617
Transfers out	(1,198,804)	(6,035,528)	(7,500,000)	1,464,472
Contributions to other governments	(61,000)	(125,500)	(375,227)	249,727
Total other financing sources (uses)	<u>(1,259,804)</u>	<u>(6,161,028)</u>	<u>(7,850,610)</u>	<u>1,738,816</u>
Net change in fund balance	(420,446)	71,698	738,958	482,212
Fund balance, beginning of year	14,509,408	14,509,408	14,509,408	-
Fund balance, end of year	<u>\$ 14,088,962</u>	<u>\$ 14,581,106</u>	<u>\$ 15,248,366</u>	<u>\$ 667,260</u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Community Reinvestment Agency – Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 390,000	\$ 325,980	\$ 325,387	\$ (593)
Intergovernmental	1,560,000	2,291,749	2,291,684	(65)
Interest	250	250	155,665	155,415
Miscellaneous	-	-	36	36
Total revenue	1,950,250	2,617,979	2,772,772	154,793
EXPENDITURES				
Community revitalization	687,500	565,394	626,373	(60,979)
Debt service	721,800	721,800	721,804	(4)
Total expenditures	1,409,300	1,287,194	1,348,177	(60,983)
Excess of revenues over expenditures	540,950	1,330,785	1,424,595	93,810
OTHER FINANCING SOURCES (USES)				
Loan proceeds	445,300	1,864,640	-	(1,864,640)
Transfer out	(445,300)	(3,214,980)	-	3,214,980
Total other financing sources (uses)	-	(1,350,340)	-	1,350,340
Net change in fund balance	540,950	(19,555)	1,424,595	1,444,150
Fund balance, beginning of year	2,132,143	2,132,143	2,132,143	-
Fund balance, end of year	\$ 2,673,093	\$ 2,112,588	\$ 3,556,738	\$ 1,444,150

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Net Position – Proprietary Fund
June 30, 2024

	Storm Water
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 4,896,985
Accounts receivable, net	704,020
Total current assets	5,601,005
Property, plant and equipment:	
Infrastructure	22,327,698
Machinery and equipment	298,521
Accumulated depreciation	(3,469,591)
Net property, plant and equipment	19,156,628
Total assets	24,757,633
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to pensions	121,116
Total deferred outflows of resources	121,116
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	82,500
Accrued liabilities	11,710
Compensated absences, current	36,675
Total current liabilities	130,885
Noncurrent liabilities:	
Compensated absences	12,225
Net pension liability	65,409
Total noncurrent liabilities	77,634
Total liabilities	208,519
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Related to pensions	852
Total deferred inflows of resources	852
<u>NET POSITION</u>	
Net investment in capital assets	19,156,628
Unrestricted	5,512,750
Total net position	\$ 24,669,378

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Revenues, Expenses, and Changes
in Fund Net Position – Proprietary Fund
For the Year Ended June 30, 2024

	Storm Water
<u>OPERATING REVENUES</u>	
Charges for services	\$ 3,227,157
Miscellaneous	15,122
Total operating revenues	<u>3,242,279</u>
<u>OPERATING EXPENSES</u>	
Wages and fringe benefits	558,516
Repairs, maintenance, and administrative	865,333
Professional services	204,220
Depreciation	506,259
Other	3,978
Total operating expenses	<u>2,138,306</u>
Operating income	<u>1,103,973</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest income	204,832
Total non-operating revenues	<u>204,832</u>
Income before transfers and contributions	1,308,805
Total net position, beginning of year	<u>23,360,573</u>
Total net position, end of year	<u><u>\$ 24,669,378</u></u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Cash Flows – Proprietary Fund
For the Year Ended June 30, 2024

	Storm Water
<u>Cash flows from operating activities:</u>	
Cash received from customers (including cash deposits)	\$ 3,185,651
Cash paid to suppliers	(1,305,863)
Cash paid to employees	(564,562)
Net cash from operating activities	<u>1,315,226</u>
<u>Cash flow from capital and related financing activities:</u>	
Interest income received	<u>204,832</u>
Net cash from capital and related financing activities	<u>204,832</u>
Net increase in cash and cash equivalents	1,520,058
Cash and cash equivalents at beginning of year	<u>3,376,927</u>
Cash and cash equivalents at end of year	<u>\$ 4,896,985</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	<u>\$ 1,103,973</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	506,259
Changes in assets and liabilities:	
Increase in accounts receivable	(56,628)
Increase in deferred outflows	(38,275)
Decrease in accounts payable	(232,332)
Increase in accrued liabilities	9,107
Increase in deferred inflows	214
Increase in net pension liability	<u>22,908</u>
Total adjustments	<u>211,253</u>
Net cash provided by operating activities	<u>\$ 1,315,226</u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2024

	Custodial Funds
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 325,356</u>
Total assets	<u>325,356</u>
<u>LIABILITIES</u>	
Accounts payable	<u>14,165</u>
Total liabilities	<u>14,165</u>
<u>NET ASSETS</u>	
Restricted for Community Renewable Energy Program	<u>311,191</u>
Total net assets	<u><u>\$ 311,191</u></u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2024

	Custodial Funds
<u>ADDITIONS</u>	
Contributions from other governments	\$ -
Total additions	-
<u>DEDUCTIONS</u>	
Payments for Community Renewable Energy Program initiatives	154,025
Total deductions	154,025
Net increase in fiduciary net position	(154,025)
Total net position, beginning of year	465,216
Total net position, end of year	\$ 311,191

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Notes to the Financial Statements
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Millcreek, Utah (the City) was incorporated in 2017 under the laws of the State of Utah. The City operates under a Mayor-Council form of government. The City is a municipal corporation governed by an elected five-member Council, which includes the Mayor. The City provides the following services: general administrative services, public safety, highways and streets, planning and engineering, parks and recreation, community events, and stormwater collection.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB pronouncement. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Component units that do not meet the criteria for being blended into the City's primary government are reported discretely.

Government-Wide Financial Statements and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. The City's general administrative services, public safety, highways and streets, planning and engineering, and parks are all classified as governmental activities. Storm water collection services are classified as business-type activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City and its component units. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or a segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial resources used to acquire capital assets are capitalized as assets, rather than reported as expenditures, in the government-wide financial statements. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types are used by the City:

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Capital Projects Fund accounts for the acquisition and construction of the government's major capital facilities.
- The CRA special revenue fund is used to account for financial resources to be used for the revitalization of blighted areas within the City. This fund is a blended component unit.

The City reports the following major proprietary fund:

- The Stormwater Fund accounts for the operation and maintenance of the storm water system and capital projects for the storm water system.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales, services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the City reports the following fund types:

- Millcreek Community Foundation fund: The City accounts for community foundation funds in a special revenue fund.
- Park Impact fund: The City accounts for park impact fees in a special revenue fund.
- Custodial fund: The City accounts for monies held for the Community Renewable Energy Agency, a local government cooperative to achieve net-100% renewable electricity on behalf of participating communities.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Budgets

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 30 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund and Special Revenue Funds. Annual budgets are also adopted for Capital Projects Fund which may include activities that overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal yearend.

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated categories of fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law prohibits the accumulation of the stated fund balance categories in any amount greater than 35% of the current year's actual revenues.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance, in which case a public hearing must be held. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Fund are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is not practicable or appropriate to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Investments City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

Taxes, intergovernmental, and other receivables at June 30, 2024, consisted of property tax, sales tax, franchise tax, grants, utility billings, and other miscellaneous items. Taxes, grants, and utility charges are deemed collectible in full, so no allowance for uncollectibles is recorded.

Restricted Assets Certain assets are classified as restricted because their use is restricted by an independent third party, enabling legislation, or other laws and statutes. These restrictions may include future debt service payments, unexpended portions of bonds issued for capital construction, impact fees, and other agreements with third parties.

Prepaid Items Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	50 years
Buildings	50 years
Machinery and equipment	5 years

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Compensated Absences For governmental funds, amounts of vested or accumulated personal time off (PTO) are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. PTO is capped at 320 hours. Once an employee's PTO accumulates to 320 hours, the employee's bi-weekly accrual of PTO hours ceases until PTO is taken and drops below the cap. Compensated absences are paid by the individual funds as they become due. For governmental funds, most of the, most of the costs are paid by the General Fund.

Taxes On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget is made subsequent to June 22. All property taxes levied by the City are assessed and collected by Salt Lake County. Taxes are levied as of January 1 and due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. Franchise taxes are collected by utility companies and remitted to the City periodically.

Energy and Use Taxes are collected by the service providers of electricity and natural gas and they forward the taxes to the City on a monthly basis.

Cable Franchise Fees are also collected by the service providers and remitted periodically to the City.

Pensions For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources Deferred outflows of resources represent a consumption of net assets that applies to a future period, and is, therefore, deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period, and is, therefore, deferred until that time. Governmental funds report unavailable revenue from property taxes as deferred inflows of resources until such time they can be recognized as revenue in the period that they become available.

Long-term Obligations In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Governmental fund balance is reported in five separate categories: nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: Committed, assigned, and then unassigned.

Inter-fund Transactions During the course of normal operations, the City has transactions between funds to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as transfers, which are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 235,610,908
Accumulated depreciation	<u>(12,149,337)</u>
Capital assets, net	<u><u>\$ 223,461,571</u></u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position. Balances at June 30, 2024 were:

Sales Tax Revenue bonds	\$ 51,375,000
Note payable	4,899,836
Premiums on sales tax revenue bonds	4,991,842
Accrued interest payable on long-term debt	197,541
Compensated absences	<u>402,923</u>
	<u><u>\$ 61,867,142</u></u>

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between Governmental Funds Operating Statements and the Statement of Net Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays and contributions are reported in the governmental fund as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

Capital outlays and contributions	\$ 22,915,995
Depreciation expense	(2,425,829)
Cost of capital assets sold	<u>(4,708,018)</u>
Net difference, as reported	<u><u>\$ 15,782,148</u></u>

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits and cash on hand. Investments are stated at cost, which approximates fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents," which also includes cash accounts that are separately held by several of the City's funds.

As of June 30, 2024, the City's demand deposits and cash on hand amounted to \$43,319,247.

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments – The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (UMMA) that relate to the deposit and investment of public funds.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City follows the requirements of UMMA (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository, which is defined as a financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. UMMA defines types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in UMMA; and the Utah State Public Treasurers' Investment Fund. The City has complied with the UMMA and rules of the Money Management Council with regard to deposits and investments. The City has a separate deposit and investment policy which requires City to follow UMMA.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by UMMA. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques. Quoted prices for identical investments in active markets.

At June 30, 2024, the City had the following recurring fair value measurements.

	06/30/24	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities				
PTIF	\$ 42,170,906	\$ -	\$ 42,170,906	\$ -
Total debt securities	<u>\$ 42,170,906</u>	<u>\$ -</u>	<u>\$ 42,170,906</u>	<u>\$ -</u>

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2024, \$898,340 of the City's \$1,148,340 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized. UMMA does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. UMMA requires that the City keep deposits in a qualified depository, which the City has done.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. Of the City's investment in the PTIF of \$42,170,906, the City has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks of investments is to comply with UMMA.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to UMMA. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

As of June 30, 2024, the City's investments had the following maturities and ratings:

Investment Type	Fair Value	Investment Maturities (in Years)		Quality Ratings
		Less Than 1	1-5	
PTIF	\$ 42,170,906	\$ 42,170,906	\$ -	Unrated
	<u>\$ 42,170,906</u>	<u>\$ 42,170,906</u>	<u>\$ -</u>	

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the rules of the Money management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasurers' Office.

The City did not enter into any reverse repurchase agreements during the year. Bond deposits are held by an appointed trustee in accordance with the Bond Resolutions. Repurchase agreements are secured by uninsured, unregistered securities held by the counter party but not in the City's name.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

4. ACCOUNTS RECEIVABLE

Receivables as of June 30, 2024 for the City's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Community Reinvestment Agency	Nonmajor Governmental Fund	Capital Projects Fund	Storm Water Fund	Total
Receivables:						
Taxes	\$15,125,176	\$ 324,427	\$ -	\$ -	-	\$15,449,603
Accounts and others	95,385	-	2,000	-	704,020	801,405
Intergovernmental	577,800	1,350,000	-	460,000	-	2,387,800
Gross receivables	15,798,361	1,674,427	2,000	460,000	704,020	18,638,808
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total receivables	<u>\$15,798,361</u>	<u>\$1,674,427</u>	<u>\$ 2,000</u>	<u>\$460,000</u>	<u>\$ 704,020</u>	<u>\$18,638,808</u>

Governmental funds report deferred revenue as deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2024, the various components of deferred revenue and unearned revenue reported in the government funds were as follows:

	Deferred Inflows of Resources	Unearned
Property taxes receivable	\$12,236,000	\$ -
Intergovernmental receivable	<u>1,350,000</u>	<u>-</u>
Total deferred inflows of resources/ unearned revenue, governmental funds	<u>\$13,586,000</u>	<u>\$ -</u>

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

5. **CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	7/1/2023	Increases	Decreases	6/30/2024
<u>Governmental activities</u>				
Capital assets:				
Land	\$ 92,342,604	\$ 202,904	\$ (2,000,330)	\$ 90,545,178
Construction in progress	36,783,491	8,182,364	(36,783,491)	8,182,364
Buildings and improvements	3,449,259	48,894,827	(1,149,259)	51,194,827
Other improvements	11,605,046	407,263	(1,756,065)	10,256,244
Infrastructure	72,621,348	1,352,969	-	73,974,317
Vehicles, machinery and equipment	798,819	659,159	-	1,457,978
Total capital assets	217,600,567	59,699,486	(41,689,145)	235,610,908
Accumulated depreciation:				
Buildings and improvements	(139,249)	(616,440)	89,416	(666,273)
Other improvements	(422,828)	(205,125)	108,220	(519,733)
Infrastructure	(8,791,323)	(1,455,479)	-	(10,246,802)
Vehicles, machinery and equipment	(567,744)	(148,785)	-	(716,529)
Total accumulated depreciation	(9,921,144)	(2,425,829)	197,636	(12,149,337)
Net governmental capital assets	<u>\$ 207,679,423</u>	<u>\$ 57,273,657</u>	<u>\$ (41,491,509)</u>	<u>\$ 223,461,571</u>
<u>Business-type activities</u>				
Capital assets:				
Storm water infrastructure	\$ 22,327,698	\$ -	\$ -	\$ 22,327,698
Equipment	298,521	-	-	298,521
Total capital assets	22,626,219	-	-	22,626,219
Accumulated depreciation:				
Storm water infrastructure	(2,846,410)	(446,554)	-	(3,292,964)
Equipment	(116,922)	(59,705)	-	(176,627)
Total accumulated depreciation	(2,963,332)	(506,259)	-	(3,469,591)
Net business-type capital assets	<u>\$ 19,662,887</u>	<u>\$ (506,259)</u>	<u>\$ -</u>	<u>\$ 19,156,628</u>

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General government	\$ 902,266
Highways and public improvements	1,455,479
Parks and recreation	68,084
Total depreciation expense - governmental activities	<u>\$ 2,425,829</u>
Business-type activities:	
Storm water	<u>\$ 506,259</u>

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

6. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	7/1/2023	Additions	Reductions	6/30/2024	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
Sales tax revenue	\$ 52,090,000	\$ -	\$ (715,000)	\$ 51,375,000	\$ 890,000
Premium	5,237,990	-	(246,148)	4,991,842	-
Total bonds payable	57,327,990	-	(961,148)	56,366,842	890,000
Note payable	5,200,000	-	(300,164)	4,899,836	312,683
Compensated absences	334,828	425,165	(357,070)	402,923	302,192
Net pension liability	382,505	185,344	-	567,849	-
Governmental activity long-term liabilities	<u>\$ 63,245,323</u>	<u>\$ 610,509</u>	<u>\$ (1,618,382)</u>	<u>\$ 62,237,450</u>	<u>\$ 1,504,875</u>
<u>Business-type activities</u>					
Compensated absences	\$ 40,635	\$ 47,262	\$ (38,997)	\$ 48,900	\$ 36,675
Net pension liability	42,501	22,908	-	65,409	-
Business-type activity long-term liabilities	<u>\$ 83,136</u>	<u>\$ 70,170</u>	<u>\$ (38,997)</u>	<u>\$ 114,309</u>	<u>\$ 36,675</u>

Revenue Bonds

<u>Bond Description</u>	<u>Original Issue</u>	<u>Annual Principal</u>	<u>Interest Rate</u>	<u>Final Due Date</u>	<u>Outstanding as of 6/30/24</u>
Sales Tax Revenue Bonds, Series 2019	\$17,345,000	\$140,000 to \$1,770,000	4% to 5%	12/1/2039	\$17,345,000
Sales Tax Revenue Bonds, Series 2021	36,265,000	\$680,000 to \$1,740,000	2.125% to 5.00%	6/1/1951	34,030,000
	<u>\$53,610,000</u>				<u>\$51,375,000</u>

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

6. LONG-TERM DEBT (CONTINUED)

Revenue bond debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 890,000	\$ 1,747,800	\$ 2,637,800
2026	1,065,000	1,699,800	2,764,800
2027	1,220,000	1,643,675	2,863,675
2028	1,390,000	1,579,550	2,969,550
2029	1,565,000	1,506,675	3,071,675
2030 - 2034	10,935,000	6,238,650	17,173,650
2035 - 2039	13,990,000	3,943,350	17,933,350
2040 - 2044	8,865,000	1,837,950	10,702,950
2045 - 2049	8,010,000	883,788	8,893,788
2050 - 2051	3,445,000	110,181	3,555,181
	<u>\$51,375,000</u>	<u>\$21,191,419</u>	<u>\$72,566,419</u>

Note Payable

On July 12, 2022, the City entered into a note payable agreement with the Utah Department of Transportation for \$5,200,000 to enable the City to construct transportation infrastructure projects. The note bears interest at 1.69% and matures in October 2037. Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 312,683	\$ 82,683	\$ 395,366
2026	317,968	77,399	395,367
2027	323,341	72,025	395,366
2028	328,806	66,561	395,367
2029	334,363	61,004	395,367
2030 - 2034	1,758,509	218,362	1,976,871
2035 - 2038	1,524,166	64,624	1,588,790
	<u>\$ 4,899,836</u>	<u>\$ 642,658</u>	<u>\$ 5,542,494</u>

7. RETIREMENT SYSTEMS AND PENSION PLANS

General Information About the Pension Plan

Plan Description Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who has no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement System, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Summary of Benefits by System

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2024 are as follows:

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111- Local Governmental Division Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	17.97%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.19%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2024, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 390,642	N/A
Tier 2 Public Employees System	195,689	-
Tier 2 DC Only System	67,265	N/A
Total Contributions	<u>\$ 653,596</u>	<u>-</u>

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2024, the City reported a net pension asset of \$0 and a net pension liability of \$425,006.

	(Measurement Date): December 31, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change
Noncontributory System	\$ -	\$ 548,201	0.2363378%	0.2188781%	0.0174597%
Tier 2 Public Employees System	-	85,057	0.0437005%	0.0460303%	-0.0023298%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 633,258</u>			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2024, the City recognized pension expense of \$514,564.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 411,100	\$ 1,393
Changes in assumptions	213,190	67
Net difference between projected and actual earnings on pension plan investments	187,875	-
Changes in proportion and differences between contributions and proportionate share of contributions	25,661	6,858
Contributions subsequent to the measurement date	338,545	-
Total	<u>\$ 1,176,371</u>	<u>\$ 8,318</u>

\$338,545 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 255,843
2025	236,599
2026	355,246
2027	(67,894)
2028	9,437
Thereafter	40,278

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the City recognized pension expense of \$403,015.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 383,857	\$ -
Changes in assumptions	164,504	-
Net difference between projected and actual earnings on pension plan investments	178,270	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,100	4,356
Contributions subsequent to the measurement date	202,752	-
Total	<u>\$ 939,483</u>	<u>\$ 4,356</u>

\$202,752 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 247,360
2025	224,728
2026	335,160
2027	(74,874)

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the City recognized pension expense of \$111,550.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,243	\$ 1,393
Changes in assumptions	48,687	67
Net difference between projected and actual earnings on pension plan investments	9,605	-
Changes in proportion and differences between contributions and proportionate share of contributions	15,561	2,501
Contributions subsequent to the measurement date	135,793	-
Total	<u>\$ 236,889</u>	<u>\$ 3,961</u>

\$135,793 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 8,843
2025	11,871
2026	20,086
2027	6,980
2028	9,437
Thereafter	40,278

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
		Inflation	2.50%
		Expected arithmetic nominal return	7.95%

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity to the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 2,845,133	\$ 548,201	\$ (1,375,324)
Tier 2 Public Employees System	292,246	85,058	(75,617)
Total	<u>\$ 3,137,379</u>	<u>\$ 633,259</u>	<u>\$ (1,450,941)</u>

***Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

7. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Contribution Savings Plans (Continued)

Millcreek City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
401(k) Plan*			
Employer contributions	\$ 417,698	\$ 382,366	\$ 292,028
Employee contributions	309,981	276,667	221,260
457 Plan			
Employer contributions	-	-	-
Employee contributions	97,394	88,892	47,375
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	18,870	18,254	11,030

* The employer paid 401(k) contributions include the totals paid for employees in the Tier 2 Defined Contribution 401(k) Plan.

8. COMMITMENTS

The City has entered into several contracts with other governmental agencies to provide various services. These services include Public Safety (police and animal services) and Public Works. The term of each of these contracts is one year or less.

9. CONTINGENT LIABILITIES

The City is involved in various claims and legal actions arising in the ordinary course of events. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the City's financial position or results of operations.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2024

10. 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 participates in the Utah Local Government Insurance 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 one million dollars for each insured event. As of June 30, 2024, there were no outstanding unpaid claims for the City. Also, the City had no claim settlements during the three years ending June 30, 2024 which exceeded its insurance coverage. The City also has fidelity bond coverage with a private carrier.

MILLCREEK
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of its Covered Payroll
Noncontributory System	2018	0.1140939%	\$ 840,156	\$ 920,290	91.29%	87.00%
	2019	0.1684213%	634,758	1,297,950	48.90%	93.70%
	2020	0.1752062%	89,871	1,329,498	6.76%	99.20%
	2021	0.1893139%	(1,084,221)	1,446,729	-74.94%	108.70%
	2022	0.2188781%	374,884	1,789,538	20.95%	97.50%
	2023	0.2363378%	548,201	2,045,511	26.80%	96.90%
Tier 2 Public Employees System	2018	0.0350169%	\$ 14,997	\$ 406,399	3.69%	90.80%
	2019	0.0595987%	13,404	828,342	1.62%	96.50%
	2020	0.0517776%	7,447	827,639	0.90%	98.30%
	2021	0.0505277%	(21,385)	938,349	-2.28%	103.80%
	2022	0.0460303%	50,122	1,003,094	5.00%	92.30%
	2023	0.0437005%	85,058	1,129,804	7.53%	89.58%

Note:

* This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

MILLCREEK
Schedule of Pension Contributions
Last Ten Fiscal Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2018	\$ 83,431	\$ 83,431	\$ -	\$ 451,711	18.47%
	2019	214,893	214,893	-	1,165,396	18.44%
	2020	246,160	246,160	-	1,332,755	18.47%
	2021	253,244	253,244	-	1,371,109	18.47%
	2022	293,166	293,166	-	1,587,253	18.47%
	2023	342,354	342,354	-	1,925,131	17.78%
	2024	390,642	390,642	-	2,226,684	17.54%
Tier 2 Public Employees System*	2018	28,752	28,752	-	190,281	15.11%
	2019	103,052	103,052	-	663,143	15.54%
	2020	128,272	128,272	-	819,108	15.66%
	2021	142,376	142,376	-	901,108	15.80%
	2022	148,876	148,876	-	926,421	16.07%
	2023	175,483	175,483	-	1,101,363	15.93%
	2024	195,689	195,689	-	1,222,292	16.01%
Tier 2 Public Employees DC Only System*	2018	942	942	-	14,080	6.69%
	2019	5,844	5,844	-	87,351	6.69%
	2020	15,459	15,459	-	228,177	6.78%
	2021	24,831	24,831	-	369,975	6.71%
	2022	32,775	32,775	-	489,912	6.69%
	2023	51,637	51,637	-	834,195	6.19%
	2024	67,265	67,265	-	1,086,669	6.19%

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

MILLCREEK
Notes to the Required Supplementary Information
June 30, 2024

1. CHANGE IN ASSUMPTIONS

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

MILLCREEK
Combing Balance Sheet – Nonmajor Governmental Funds
June 30, 2024

	Millcreek Community Foundation	Special Revenue Park Impact	Total Non-major Governmental Funds
<u>ASSETS</u>			
Restricted cash and investments	\$ 76,942	\$ 646,877	\$ 723,819
Receivables:			
Accounts	2,000	-	2,000
Total assets	<u>\$ 78,942</u>	<u>\$ 646,877</u>	<u>\$ 725,819</u>
<u>LIABILITIES</u>			
Liabilities:			
Accounts payable	\$ 24,617	\$ -	\$ 24,617
Total liabilities	<u>24,617</u>	<u>-</u>	<u>24,617</u>
<u>FUND BALANCE</u>			
Fund balance:			
Restricted:			
Community Foundation	54,325	-	54,325
Capital projects	-	646,877	646,877
Total fund balance	<u>54,325</u>	<u>646,877</u>	<u>701,202</u>
Total liabilities and fund balance	<u>\$ 78,942</u>	<u>\$ 646,877</u>	<u>\$ 725,819</u>

MILLCREEK
Combing Statement of Revenues, Expenditures and Changes
In Fund Balances – Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Millcreek Community Foundation Fund	Special Revenue Park Impact Fund	Total Nonmajor Governmental Funds
<u>REVENUES</u>			
Impact fees	\$ -	\$ 333,638	\$ 333,638
Intergovernmental	2,500	-	2,500
Grants and donations	77,125	-	77,125
Interest	-	34,735	34,735
	<hr/>	<hr/>	<hr/>
Total revenue	79,625	368,373	447,998
	<hr/>	<hr/>	<hr/>
<u>EXPENDITURES</u>			
Current operating:			
Parks and recreation	683	-	683
	<hr/>	<hr/>	<hr/>
Total expenditures	683	-	683
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	78,942	368,373	447,315
	<hr/>	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers out	(24,617)	-	(24,617)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(24,617)	-	(24,617)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	54,325	368,373	422,698
Fund balance - beginning of year	-	278,504	278,504
	<hr/>	<hr/>	<hr/>
Fund balance - end of year	\$ 54,325	\$ 646,877	\$ 701,202
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MILLCREEK
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 2,500,000	\$ 818,821	\$ (1,681,179)
Interest	400,000	425,883	837,388	411,505
Miscellaneous	-	-	460,000	460,000
Total revenues	400,000	2,925,883	2,116,209	(809,674)
<u>EXPENDITURES</u>				
Capital outlay	1,622,304	40,016,044	28,793,268	11,222,776
Debt service	-	395,367	395,367	-
Total expenditures	1,622,304	40,411,411	29,188,635	11,222,776
Excess (deficiency) of revenues over (under) expenditures	(1,222,304)	(37,485,528)	(27,072,426)	10,413,102
<u>OTHER FINANCING SOURCES</u>				
Transfers in	1,198,804	6,035,528	7,500,000	1,464,472
Sale of land	-	-	1,671,509	1,671,509
Total other financing sources	1,198,804	6,035,528	9,171,509	3,135,981
Net change in fund balance	(23,500)	(31,450,000)	(17,900,917)	13,549,083
Fund balance at beginning of year	34,165,717	34,165,717	34,165,717	-
Fund balance at end of year	<u>\$ 34,142,217</u>	<u>\$ 2,715,717</u>	<u>\$ 16,264,800</u>	<u>\$ 13,549,083</u>

MILLCREEK
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Park Impact Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<u>REVENUES</u>				
Impact fees	\$ -	\$ -	\$ 333,638	\$ 333,638
Interest	-	-	34,735	34,735
Total revenues	-	-	368,373	368,373
Net change in fund balance	-	-	368,373	368,373
Fund balance at beginning of year	278,504	278,504	278,504	-
Fund balance at end of year	<u>\$ 278,504</u>	<u>\$ 278,504</u>	<u>\$ 646,877</u>	<u>\$ 368,373</u>

MILLCREEK
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Millcreek Community Foundation Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 20,000	\$ 2,500	\$ (17,500)
Grants and donations	-	145,000	77,125	(67,875)
Total revenues	-	165,000	79,625	(85,375)
<u>EXPENDITURES</u>				
Parks and recreation	-	-	683	(683)
Total expenditures	-	-	683	(683)
Excess (deficiency) of revenues over (under) expenditures	-	165,000	78,942	(86,058)
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	(172,989)	(24,617)	148,372
Total other financing sources	-	(172,989)	(24,617)	148,372
Net change in fund balance	-	(7,989)	54,325	62,314
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ (7,989)	\$ 54,325	\$ 62,314



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mayor and City Council
Millcreek, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Millcreek, Utah (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBME, LLC

December 16, 2024



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Mayor and City Council
Millcreek, Utah

Report On Compliance

We have audited Millcreek, Utah's (the City) compliance with the state compliance requirements described in the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

Budgetary Compliance
Fraud Risk Assessment
Government Fees

Fund Balance
Restricted Taxes and Related Revenues
Enterprise Fund Transfers,
Reimbursements, Loans, and Services

Opinion on Compliance

In our opinion, Millcreek, Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management on Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this communication is not suitable for any other purpose.

HBMC, LLC

December 16, 2024

APPENDIX B

**FORMS OF THE GENERAL INDENTURE AND THE PLEDGE AGREEMENT
AND THE CITY SALES TAX INDENTURE**

TAX INCREMENT REVENUE BONDS

GENERAL INDENTURE OF TRUST

Dated as of _____, 2025

between

MILLCREEK COMMUNITY REINVESTMENT AGENCY, UTAH

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

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THIS GENERAL INDENTURE OF TRUST, dated as of _____, 2025, by and between the Millcreek Community Reinvestment Agency, Utah (the “Agency”), a public body established under the laws of the State of Utah, and U.S. Bank Trust Company, National Association (the “Trustee”), 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 a corporate trust office in Salt Lake City, Utah, as trustee,

W I T N E S S E T H:

WHEREAS, the Agency is a redevelopment agency (a public body, corporate and politic) duly created, established by Millcreek, Utah (the “City”) and authorized to transact business and exercise its powers, all under and pursuant to the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C, Utah Code Annotated 1953, as amended (the “Redevelopment Act”), and the powers of the Agency include the power to issue bonds for any of its corporate purposes; and

WHEREAS, the community reinvestment area plan (the “CRA Plan”) for the Agency’s Millcreek Center Community Reinvestment Area (the “Millcreek Center CRA”) has heretofore been adopted and approved and all requirements of law for, and precedent to, the adoption and approval of the CRA Plan have been duly complied with; and

WHEREAS, the Agency now desires to make a pledge of Pledged Revenues in accordance with its terms as provided herein; and

WHEREAS, it is intended that this General Indenture be supplemented by one or more Supplemental Indentures containing specific provisions for a designated series of Bonds.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

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

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

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

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

“Agency” means the Millcreek Community Reinvestment Agency, Utah.

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

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

“Authorized Representative” means the [Executive Director], Chair or Secretary of the Agency or any other officer of the Agency certified in writing to the Trustee by the Agency.

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

“Base Year” means the year upon which taxable values are set for purposes of determining available tax revenues, all pursuant to the CRA Plan.

“Bond Fund” means the Millcreek Community Reinvestment Agency Tax Increment Revenue Bond Fund created in Section 3.2 hereof to be held by the Trustee and administered pursuant to Section 6.3 hereof.

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

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

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

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

“Chair” means the Chair of the Agency or any other authorized representative or successor to the duties of such office.

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

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

“Construction Fund” means the Millcreek Community Reinvestment Agency Tax Increment Revenue Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 6.1 hereof.

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

- (a) amounts payable to contractors and costs incident to the award of contracts;
- (b) cost of labor, facilities and services furnished by the Agency and its employees or others, materials and supplies purchased by the Agency or others and permits and licenses obtained by the Agency or others;
- (c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;
- (d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (e) interest expenses, including interest on the Series of Bonds relating to a Project;
- (f) printing, engraving and other expenses of financing, including fees of financial rating services and other costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));
- (g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;
- (h) costs of furniture, fixtures, and equipment purchased by the Agency and necessary to construct a Project;
- (i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;
- (j) cost of site improvements in anticipation of, and infrastructure improvements related to, a Project;

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

(l) costs of the capitalization with proceeds of a Series of Bonds issued hereunder of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Agency to effect the construction of a Project plus one year, as herein provided, of any discount on bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;

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

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

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

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

"CRA Plan" means the CRA Plan for the Millcreek Center CRA first approved and adopted by the legislative body of Millcreek, Utah on April 8, 2019, pursuant to Resolution _____, and includes any amendment of said plan hereafter made pursuant to law.

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

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

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

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

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

provided, however, for purposes of Section 2.13 hereof,

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations, as shall be established for this purpose in the opinion of the Agency's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

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

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Agency 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 Agency 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 Agency's financial advisor, underwriter or similar agent with the approval of each Rating Agency, for such floating payments) to be made by the Agency 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; and

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of ten 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 Agency'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);

and further provided, that there shall be excluded from Debt Service (a) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (b) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, (c) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Agency's obligation to pay such Repayment Obligations, (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued, and (e) any Principal and interest on Bonds to the extent that sales tax revenues collected under Title 59, Chapter 12, Part 2, Utah Code has been pledged to this Indenture for the payment of any Bonds (including any Series of Bonds) on a parity with the most senior pledge (if any) of such sales taxes by the Agency provided there has been no failure of the Agency to transfer such sales tax revenues to the Trustee for payment of such Bonds.

"Debt Service Reserve Fund" means the Millcreek Community Reinvestment Agency Tax Increment Revenue Debt Service Reserve Fund created in Section 3.4 hereof to be held by the Trustee and administered pursuant to Section 6.5 hereof.

"Debt Service Reserve Requirement" means, with respect to each Series of Bonds issued pursuant to this Indenture, the amount, if any, specified in the related Supplemental Indenture. Each account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

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

"Direct Payments" means the interest subsidy payments received by the Agency from the Internal Revenue Service pursuant to Direct Payment Bonds, Section 6431 of the Code, or other similar programs with respect to Bonds issued hereunder.

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

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

"Fitch" means Fitch Ratings.

"Governing Body" means the Board of Directors of the Agency.

"Government Obligations" means one or more of the following:

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

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

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

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

"Interest Rate Swap" means an agreement between the Agency 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 Agency 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.

"Investment Income" means certain investment income derived from the investment of moneys held under this Indenture.

“Millcreek Center CRA” shall mean the Millcreek Center Community Reinvestment Area as described in the CRA Plan.

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

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

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

“Pledged Revenues” means the sum of the Tax Increment Revenues and the Investment Income.

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

“Principal Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, 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 amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which

would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment and (ii) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

“Project” shall mean, for the purpose of implementing the CRA Plan, to finance or refinance any project for which Tax Increment Revenues may be used as permitted by the Redevelopment Act and the CRA Plan, all as set forth in a Supplemental Indenture.

“Project Area” means the Millcreek Center Community Reinvestment Area or Millcreek Center CRA, as described and defined in the CRA Plan.

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

“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 270 days after the date of purchase;

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

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

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

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, Annotated 1953, as amended, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

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

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

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

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

"Rebate Fund" means the Millcreek Community Reinvestment Agency Tax Increment Revenue Rebate Fund created in Section 3.6 hereof to be held by the Trustee and administered pursuant to Section 6.7 hereof.

"Redevelopment Act" means the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C, Utah Code Annotated 1953, as amended.

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

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

"Regulations," and all references thereto means the 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 the remarketing agent or commercial paper dealer appointed by the Agency pursuant to a Supplemental Indenture.

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

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

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

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

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

"Reserve Instrument Fund" means the Millcreek Community Reinvestment Agency Tax Increment Revenue Reserve Instrument Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 6.6 hereof.

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

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

"Reserve Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Agency 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.

"S&P" means S&P Global Ratings.

“Secretary” means the Secretary of the Agency and any deputy to the Secretary or any successor to the duties of such office.

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

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

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

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

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

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

“Sinking Fund Account” means the Millcreek Community Reinvestment Agency Tax Increment Revenue Sinking Fund Account of the Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 6.4 hereof.

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

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

“State” means the State of Utah.

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

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

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

“Tax Increment Revenues” means that portion of taxes levied upon taxable property within the Project Area which may be allocated to and paid to the Agency for payment of Agency obligations pursuant to the Redevelopment Act.

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

“Trustee” means U.S. Bank Trust Company, National Association, Corporate Trust Department, 170 So. Main Street, Suite 200, Salt Lake City, Utah 84101, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

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

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

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by the Security Instrument Issuers, and the issuance from time to time of any and all Reserve

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

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

- (a) The terms “hereby,” “hereof,” “herein,” “hereto,” “hereunder,” and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.
- (b) Words in the singular number include the plural, and words in the plural include the singular.
- (c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.
- (d) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.
- (e) The titles or leadlines applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

ARTICLE II

THE BONDS

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

Section 2.2 Description of Bonds: Payment.

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

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

(c) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States of America designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. Unless otherwise specified in the related Supplemental Indenture, the interest on Bonds so payable and punctually paid and duly provided for on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Bond on such Regular Record Date, and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten (10) days prior to such Special Record Date. The principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

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

The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the Agency payable solely from the Pledged Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder (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 Pledged Revenues and other moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund) and the Agency hereby pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Pledged Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized herein or by Supplemental Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Agency or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor. The Bonds, the interest thereon, the Accreted Value, as applicable, and any premium or Accreted Value, as applicable, payable upon the redemption, if any, thereof are not a general obligation or debt of Millcreek, the State of Utah or any of its political subdivisions; and neither such city, such state nor any of its political subdivisions is liable on them, and in no event shall the Bonds, such interest or premium or Accreted Value, as applicable, give rise to a general obligation or liability of Millcreek, the State or any of its political subdivisions or a charge against their general credit or taxing power or be payable out of any funds or properties other than those of the Agency as in this General Indenture or in any Supplemental Indenture set forth. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance. Except as otherwise provided in any Supplemental Indenture, the Bonds shall be and are equally secured by an irrevocable and first lien pledge of the Pledged Revenues and other funds as hereinafter provided, without priority for series, number, date of sale, date of execution, or date of delivery. Nothing in this General Indenture shall preclude the payment of the Bonds from the proceeds of refunding bonds issued pursuant to law. Except as hereinabove set forth, nothing in this Indenture shall prevent the Agency from making advances of its own funds, howsoever derived, to any of the uses and purposes mentioned in this Indenture.

Section 2.4 Authentication and Delivery of Bonds.

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

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

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

(i) A copy of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds;

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

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

(iv) An opinion of bond counsel dated the date of authentication of such Series of Bonds to the effect that (a) this Indenture has been duly authorized, executed and delivered by the Agency and is a valid and binding obligation of the Agency; (b) this Indenture creates the valid pledge which it purports to create of the Pledged Revenues; (c) the Bonds of such Series are valid and binding special limited obligations of the Agency; and (d) to the extent applicable, that interest on

the Series of Bonds is excludable from gross income of the Owners thereof for federal income tax purposes;

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

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

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

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

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

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

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

(h) The Agency may provide for the execution of an Interest Rate Swap in connection with any Series of Bonds issued hereunder. The obligation of the Agency to pay Swap Payments may be secured with (A) a lien on the Pledged Revenues on a parity with the lien thereon of Debt Service on the related Bonds and may be net of Swap Receipts or (B) a subordinate lien on the Pledged Revenues and may be net of Swap Receipts. Such

obligations may also be secured by other legally available moneys of the Agency, all as established in the Supplemental Indenture for the related Series of Bonds. Termination Payments may only be payable from and secured by Pledged Revenues after payment of all amounts then due pursuant to the Indenture.

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

Section 2.6 Registration of Bonds; Persons Treated as Owners. The Agency shall cause the books for the registration and for the transfer of the Bonds to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Agency with respect to the Bonds, provided, however, that the Agency may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Upon the occurrence of an Event of Default which would require any Security Instrument Issuer to make payment under a Security Instrument Agreement, the Registrar shall make such registration books available to the Security Instrument Issuer. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the Principal Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Agency shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series and the same maturity for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and the same maturity. The execution by the Agency of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. Except as otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Agency and the Trustee shall not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen days prior to the mailing of notice

calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

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

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

Section 2.7 Redemption Provisions. The Term Bonds of each Series of Bonds shall be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if fewer than all Bonds of a Series are to be redeemed, the particular maturities of such Bonds to be redeemed and the Principal amounts of such maturities to be redeemed shall be selected by the Agency. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 2.9 herein, to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee, in its discretion, may deem fair and appropriate.

Section 2.8 Notice of Redemption.

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

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

such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

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

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

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

(v) the redemption price;

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

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

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, simultaneous with the mailed notice to Registered Owners, by registered or certified mail or overnight delivery service, to the MSRB and all registered securities depositories (as reasonably determined by the Trustee) then in the business of holding substantial amounts of obligations of types comprising the Bonds and to at least two national information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in Section 2.8(a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

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

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

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

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

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

Section 2.9 Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the related Supplemental Indenture, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Agency 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 Agency, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Supplemental Indenture, a portion of any Bond of a denomination of more than the minimum denomination of such Series specified herein or in the related Supplemental Indenture to be redeemed will be in the principal amount of such minimum denomination or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bonds by such minimum denomination.

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

Section 2.11 Nonpresentation of Bonds. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Agency to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent

permitted by law, repay to the Agency the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Agency, and the Registered Owner thereof shall be entitled to look only to the Agency for payment, and then only to the extent of the amount so repaid, and the Agency shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. The provisions of this Section 2.11 are subject to the provisions of Title 67, Chapter 4a, Utah Code Annotated 1953, as amended.

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

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

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

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the anticipated Tax Increment Revenues, for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were equal to at least 125% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds, after deducting from any applicable Bond Fund Year amounts held in the Debt Service Reserve Fund that are expected to be used for Debt Service payments on the Bonds in such year, plus (y) the maximum annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds; and

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

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

(d) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued hereunder or any other obligations (including tax sharing agreements) of the Agency (including the funding of necessary reserves and the payment of costs of issuance) and/or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

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

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

Section 2.16 Open Market Purchases of Bonds. Purchases of Outstanding Bonds on the open market may be made by the Agency at public or private sale as and when and at such prices as the Agency may in its discretion determine. Any accrued interest payable upon the purchase of Bonds may be paid from the amount reserved in the Bond Fund for the payment of interest on such Bonds on the next following interest payment date. Any Bonds so purchased shall be cancelled by the Trustee forthwith and surrendered to the Agency or destroyed and shall not be reissued.

ARTICLE III

CREATION OF FUNDS AND ACCOUNTS

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

Section 3.2 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.3 Creation of Sinking Fund Account. There is hereby created and ordered established in the custody of the Trustee as a separate account within the Bond Fund the Sinking Fund Account.

Section 3.4 Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee the Debt Service Reserve Fund.

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

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

Section 3.7 Creation of Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article III until such funds or accounts shall be utilized as provided in a Supplemental Indenture. The Agency may, by Supplemental Indenture, authorize the creation of additional funds and additional accounts within any fund.

ARTICLE IV

PLEDGED REVENUES; AGENCY COVENANTS

Section 4.1 Pledged Revenues. At the time of issuance of each Series of Bonds, the Agency may further define the Tax Increment Revenues and Investment Income which will constitute the Pledged Revenues with respect to such Series of Bonds. Subject to provisions which may be set out in a Supplemental Indenture, the Pledged Revenues, with respect to each Series of Bonds, are hereby irrevocably allocated and pledged in their entirety to the payment of the principal of, interest, if applicable, on, and premium payable upon redemption of, the Bonds and until all of said Bonds and all interest, thereon, have been paid (or until moneys for that purpose have been irrevocably set aside) the Pledged Revenues (except as otherwise provided in Indenture) shall be applied solely to the payment of said Bonds, the interest, if applicable, thereon, and premium, if any, as in the Indenture provided. Such allocation and pledge is for the exclusive benefit of the Owners of the Bonds, and shall be irrevocable. At the time of issuance of any Series of Bonds the definition of Pledged Revenues may be expanded or restricted with respect to such Series of Bonds as provided in the Supplemental Indenture under which such Series of Bonds is issued.

Section 4.2 First Lien Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Pledged Revenues. The Agency 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 Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Agency 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 Agency to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Pledged Revenues, or (iii) Funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 4.3 Payment of Principal and Interest. The Agency covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Pledged Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which Pledged Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Agency for the payment thereof.

Section 4.4 Performance of Covenants; Agency. The Agency covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained herein, and in any and every Bond, Security Instrument Agreement and Reserve Instrument Agreement. The Agency represents that it is duly authorized under the Constitution of the State to issue the Bonds authorized hereby and to execute this Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Agency according to the import thereof.

Section 4.5 Covenants of the Agency. The Agency shall preserve and protect the security of the Bonds and the rights of the Bondowners and defend their rights against all claims and demands of all persons. Until such time as an amount has been set aside sufficient to pay at maturity, or redemption prior to maturity, the principal of all outstanding Bonds plus unpaid interest, if applicable, thereon to maturity, or to the redemption date, and any redemption premium, the Agency will (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture or in any Bond issued hereunder, including the following covenants and agreements for the benefit of the Bondowners:

(a) The Agency covenants and agrees that the CRA Plan may be amended as provided in the Redevelopment Act but no amendment shall be made which would materially impair the security of the Bonds or the rights of the Bondowners.

(b) The Agency covenants and agrees that the proceeds of the sale of said Bonds will be deposited and used as provided in this General Indenture and any Supplemental Indenture and that it will manage and operate all properties owned by it and comprising any part of the Projects or the Project Area in a sound and businesslike manner. The

Agency shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(c) As more fully provided in Section 2.13 hereof and except as otherwise provided in this General Indenture or any Supplemental Indenture, the Agency covenants and agrees that it will not issue any other obligations payable as to the principal or interest, from the Pledged Revenues which have, or purport to have, any lien upon the Pledged Revenues superior to or on a parity with the lien of the Bonds herein authorized; provided, however, that nothing in this Indenture shall prevent the Agency from issuing and selling pursuant to law (i) refunding bonds or other refunding obligations payable from and having a lien upon the Pledged Revenues equal to that granted the Bonds if such refunding bonds or other refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding and defeasing all of the Bonds then outstanding under this Indenture for which such Pledged Revenues have been pledged, (ii) bonds payable from and having a lien on the Pledged Revenues expressly subordinate to the lien created with respect to the Bonds issued hereunder or (iii) Additional Bonds as permitted by this Indenture. The Agency and the Trustee acknowledge and agree that nothing contained in this Indenture shall prevent the Agency from issuing additional debt payable from sources other than the Tax Increment Revenues.

(d) The Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments, if any, in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Agency or any of the properties then owned by it in the Project Area, or upon the revenues and income therefrom and will pay all lawful claims for labor, material and supplies which if unpaid might become a lien or charge upon any of said properties, revenues or income or which might impair the security of the Bonds or the use of Pledged Revenues or other funds to pay the principal of and interest, if applicable, thereon, all to the end that the priority and security of said Bonds shall be preserved; provided that nothing in this paragraph shall require the Agency to make any such payment so long as the Agency in good faith shall contest the validity thereof.

(e) The Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Projects, the Project Area and the Pledged Revenues and other funds herein provided for, and will prepare within 180 days after the close of each of its fiscal years a complete financial statement or statements for such year in reasonable detail covering such Projects, Project Area, Pledged Revenues and other funds and certified by a certified public accountant or firm of certified public accountants selected by the Agency, and will furnish a copy of such statement or statements to the Trustee each year.

(f) Within the meaning of the Utah Municipal Officers' and Employees' Ethics Act (Title 10, Chapter 3, Part 13, Utah Code Annotated 1953, as amended), no "elected officer" or "appointed officer" of the Agency, or any member of the Governing Body, has a "substantial interest" in or is an officer, director, agent, employee, investor in, or owner, or has any direct or indirect pecuniary interest in, or will receive or has agreed to receive

any compensation with respect to, any contract, lease, purchase, sale, or employment made or to be made in connection with, the proposed transaction contemplated by this General Indenture.

(g) Upon the issuance of the first Series of Bonds hereunder, there will be no existing liens or encumbrances on or pledge of the Pledged Revenues except (i) those created pursuant to this Indenture and (ii) liens which are expressly subordinate to the lien created hereby.

Section 4.6 Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of and security interest in the Pledged Revenues and the funds and accounts held by the Trustee under the Indenture (except the Rebate Fund) (collectively, the “Trust Estate”) in favor of the Trustee as security for payment of the Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall be prior to any judicial lien hereafter imposed on such Trust Estate to enforce a judgment against the Agency on a simple contract.

Section 4.7 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 on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Agency or by the Registered Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

Section 4.8 Designation of Additional Paying Agents. The Agency hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder, but only to the extent such funds are made available to the Agency from Bond proceeds or other Funds created hereunder or the income from the temporary investment thereof, for the payment of such of the Bonds as shall be presented when due at the Principal Corporate Trust Office of the Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate Paying Agents.

Section 4.9 Tax Exemption of Bonds and Direct Payments. The Agency recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon is excluded from gross income for federal income tax purposes under laws in force at the time the bonds are delivered. Bonds issued pursuant to this Indenture, the interest on which is excludable from gross income for federal income tax purposes, are referred to in this Section 4.9 as “tax-exempt Bonds.” Pursuant to the provisions thereof, the Agency agrees that it will not take any action to permit tax-exempt Bonds issued hereunder to be issued in, or

converted into, bearer or coupon form, unless the Agency first receives an opinion from nationally recognized bond counsel that such action will not result in the interest on any Bonds becoming includible in gross income for purposes of federal income taxes then in effect.

The Agency’s Chair and Secretary are hereby authorized and directed to execute such certificates as shall be necessary to establish that tax-exempt Bonds or Direct Payment Bonds issued hereunder are not “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations promulgated or proposed thereunder, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Agency 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 Agency which may be deemed to be available proceeds of such Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such Bonds, would have caused the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Agency 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 Agency further covenants and agrees to and for the benefit of the Registered Owners that the Agency (i) will not take any action that would cause interest on tax-exempt Bonds issued hereunder to become includible in gross income for purposes of federal income taxation, (ii) will not take any action that would jeopardize the Direct Payments on Direct Payment Bonds issued under this Indenture, (iii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax-exempt Bonds to become includible in gross income for purposes of federal income taxation, (iv) will not omit to take or cause to be taken, in timely manner, any action, which omission would jeopardize the Direct Payments on Direct Payment Bonds issued under this Indenture, and (v) to the extent possible, will comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the excludability from gross income for purposes of federal income taxation of interest on tax-exempt Bonds and the Direct Payments on Direct Payment Bonds issued under this Indenture.

Section 4.10 Instruments of Further Assurance. The Agency and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, or upon the request of a Security Instrument Issuer or a Reserve Instrument Provider, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the Governing Body or any official of the Agency thereof.

ARTICLE V

APPLICATION OF BOND PROCEEDS

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

ARTICLE VI

USE OF FUNDS

Section 6.1 Use of Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing, and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three (3) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Agency in substantially the form as Exhibit A attached hereto, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Agency to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon 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 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 Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

(c) The Agency shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate executed by an Authorized Representative of the Agency 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 Agency 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 Agency intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Section 6.1(c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Agency 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 Agency shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 6.1, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Agency, be deposited in the Bond Fund to be applied toward the redemption of the Series of Bonds issued to finance such Project or to pay principal and/or interest next falling due with respect to the Bonds.

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default hereunder.

Section 6.2 Tax Increment Revenues. The Agency hereby grants an irrevocable first lien pledge of the Tax Increment Revenues to the payment of the Bonds issued hereunder (except as may be provided by Supplemental Indenture with respect to Bonds which are secured by a lien subordinate to the lien of the initial Series of Bonds issued hereunder). As provided in the CRA Plan, the Tax Increment Revenues available in each tax year shall be used by the Agency as follows:

(a) The Tax Increment Revenues shall be allocated to the Bond Fund and disbursed as provided in the Indenture for each Bond Year while any Bonds remain Outstanding; and

(b) The Agency covenants to promptly pay the amount described in the prior subparagraph to the Trustee, upon receipt of such amount.

Section 6.3 Use of Bond Fund. The Agency may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

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

(i) accrued interest, if any, received upon the issuance of any Series of Bonds;

(ii) Tax Increment Revenues as specified in Section 6.2 hereof;

(iii) any amount in the Construction Fund to the extent required by or directed pursuant to Section 6.1(f) hereof upon completion of a Project;

(iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in Section 6.5 hereof; and

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

(b) Except as provided in Section 7.4 hereof and as provided in this Section 6.3 and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;

(ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

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

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

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

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

Section 6.4 Use of Sinking Fund Account.

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

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

Section 6.5 Use of Debt Service Reserve Fund. Except as otherwise provided in this Section 6.5 and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof or (ii) deposited from available Pledged Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section 6.5, the Agency is required to deposit Tax Increment Revenues, to the extent available, totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

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

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

coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

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

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

Section 6.6 Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Agency to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement. The Agency may, upon obtaining an approving opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding tax-exempt Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument and use such amounts for the related Project or to pay principal on the related Bonds.

Section 6.7 Use of Rebate Fund.

(a) If it becomes necessary for the Agency to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds which are subject to said rebate requirements are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for one or more Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Agency's written request accompanied by the determination report, be paid by the Trustee to the Agency.

(c) The Agency shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Agency shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States

at the times required by the Code and the Regulations. If applicable, the Agency shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Agency 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 Agency's determinations, calculations and certifications required by this Section 6.7 and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Agency's determinations, calculations and certifications required by this Section 6.7.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Agency of the requirements of this Section 6.7. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Agency with the requirements of Section 148 of the Code or any successor. The Agency 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 Agency to comply with the requirements of said Section 148 or any successor thereof.

(e) The provisions of this Section 6.7 may be amended or deleted without Bondowner consent or notice, upon receipt by the Agency and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the excludability from gross income of interest on the Bonds or the status of the Bonds as Direct Payment Bonds.

Section 6.8 Investment of Funds. Any moneys in the Bond Fund, the Construction Fund, the Rebate Fund, the Reserve Instrument Fund and the Debt Service Reserve Fund shall, at the discretion and authorization of the Agency, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date 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 Construction Fund, Bond Fund, the Reserve Instrument Fund and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with Section 6.5 hereof.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section 6.8. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

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

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

In the event the Agency shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds, or any Series thereof, being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the excludability of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Agency 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 Agency may require.

Section 6.9 Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Agency and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except as provided otherwise in Section 6.7 hereof, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 6.10 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.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.1 Events of Default. Each of the following events is hereby declared an "Event of Default":

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

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

- (d) if an order or decree shall be entered, with the consent or acquiescence of the Agency, appointing a receiver or custodian for any of the Pledged Revenues of the Agency, or approving a petition filed against the Agency seeking reorganization of the Agency 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 Agency shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or

- (e) if any proceeding shall be instituted, with the consent or acquiescence of the Agency, for the purpose of effecting a composition between the Agency 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 Pledged Revenues; or

- (f) if (i) the Agency 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 Agency, a receiver, trustee or custodian of the Agency or of the whole or any part of the Agency's property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

- (g) if the Agency 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 Agency or of the whole or any substantial part of the property of the Agency, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

- (i) if the Agency shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds, herein, or in any Supplemental Indenture hereof on the part of the Agency to be performed, other than as set forth above in this Section 7.1, and such Event of Default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Agency by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners

of not less than 25% in aggregate principal amount of the Bonds then Outstanding hereunder; or

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

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

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

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

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

No waiver of any Event of Default hereunder, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

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

Section 7.4 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

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

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

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

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

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

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

Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

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

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

execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Agency to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7 Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Registered Owner, or Security Instrument Issuer, then and in every such case the Agency and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8 Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, and with the prior written consent of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Agency, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, but no such

waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

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

ARTICLE VIII

THE TRUSTEE

Section 8.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Agency of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Agency; but the Trustee may require of the Agency full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

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

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be

genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Agency by an Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 8.1(g) herein, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative of the Agency under its seal to the effect that a resolution in the form therein set forth has been adopted by the Agency as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

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

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 7.1(a) or 7.1(b), unless the Trustee shall be specifically notified in writing of such Default by the Agency, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

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

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

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof

required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

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

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

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

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

Section 8.2 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this Section 8.2 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.3 Notice to Registered Owners if Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 8.1(g) hereof required to take notice or if notice of an Event of Default be given to the Trustee as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail to all Security Instrument Issuers or to Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 8.4 Intervention by Trustee. In any judicial proceeding to which the Agency is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by the Registered Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section 8.4 are subject to the approval of a court of competent jurisdiction.

Section 8.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Agency, served personally or by registered or certified mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee by the Registered Owners or by the Agency as provided in Section 8.8 hereof; provided, however that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 8.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments (i) in writing delivered to the Trustee, and signed by the Agency, unless there exists any Event of Default, or (ii) in writing delivered to the Trustee and the Agency, and signed by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 8.8 Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Agency or if an Event of Default exists by the Registered Owners of a majority in aggregate

principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy, the Agency by an instrument executed by an Authorized Representative under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Agency shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee appointed pursuant to the provisions of this Section 8.8 or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000.

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

Section 8.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Agency an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Agency, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Agency be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Agency. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII shall be filed and/or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed and/or recorded.

Section 8.10 Trustee Protected in Relying Upon Indenture, Etc. The indentures, opinions, certificates and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11 Successor Trustee as Trustee of Funds; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee hereunder and Registrar for the Bonds and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 8.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of remedies on Event of Default, or in case

the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 8.12 are adapted to these ends.

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

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

Section 8.13 Annual Accounting. The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Agency, and to each Reserve Instrument Provider requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least 25% in aggregate principal amount of Bonds then Outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Agency and the Agency's independent auditor representations as to the accuracy of the facts contained in the financial reports concerning the transactions described herein that were delivered by the Trustee during the Bond Fund Year just ended.

Section 8.14 Indemnification. To the extent permitted by law and subject to the provisions of Section 8.1(a) of this Indenture, the Agency shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct.

Section 8.15 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good

faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

Section 8.16 Direct Payment Authorization. The Agency hereby authorizes and directs the Trustee to take all necessary actions to effectively carry out the duties required to apply for and accept Direct Payments from the Internal Revenue Service on behalf of the Agency under Sections 54AA and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized, including, but not limited to, filing and signing IRS Form 8038-CP, receiving the Direct Payment on the Agency's behalf, and using such Direct Payment to pay Debt Service on the Bonds. For fixed rate bonds, the Trustee shall file the 8038-CP at least 50 days (but not more than 90 days) before the relevant Interest Payment Date (unless otherwise directed by a change in regulations). For variable rate bonds, the Trustee shall file the 8038-CP for reimbursements in arrears within 25 days after the last Interest Payment Date within the quarterly period for which reimbursement is being requested (unless otherwise directed by a change in regulations). The Agency hereby covenants that it will deposit the Direct Payments with the Trustee for use in paying Debt Service on the Bonds.

ARTICLE IX

SUPPLEMENTAL INDENTURES

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

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.13 hereof;
- (b) To cure any ambiguity or formal defect or omission herein;
- (c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;
- (d) To subject to this Indenture additional Pledged Revenues or other revenues, properties, collateral or security;
- (e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the

Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, Annotated 1953, as amended, 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 Issuers or any Reserve Instrument Provider requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

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

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

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

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Agency delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project and (2) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds; and

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

Section 9.2 Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section 9.2, and not otherwise, the Registered Owners of 66 2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (i) consent to and approve the execution by

the Agency and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Agency for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Agency of any action prohibited, or the omission by the Agency of the taking of any action required, by any of the provisions hereof or of any indenture supplemental hereto; provided, however, that nothing in this Section 9.2 contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any fund established hereunder applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement hereto shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in Section 9.1, neither this Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

If at any time the Agency shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 2.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Agency may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than 66 2/3% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Agency from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE X

DISCHARGE OF INDENTURE

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

Any Bond shall be deemed to be paid within the meaning of this Article X when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee, and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Direct Obligations.

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 Agency shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

- (a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);
- (b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to Article II above; and
- (c) directing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this Article X has been

made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article X and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in Article II.

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

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

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

ARTICLE XI

MISCELLANEOUS

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

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and the Reserve Instrument Providers as herein provided.

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

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

Section 11.4 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Agency if the same shall be duly mailed by registered or certified mail addressed to it at 2549 Washington Boulevard, Millcreek, Utah 84401, Attention: Secretary, or to such address as the Agency may from time to time file with the Trustee. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail addressed to it at 170 So. Main Street, Suite 200, Salt Lake City, Utah 84101, Attention: Corporate Trust Department, or to such other address as the Trustee may from time to time file with the Agency.

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

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

Section 11.7 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

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

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

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

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

(Signature Pages to Follow)

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

MILLCREEK COMMUNITY
REINVESTMENT AGENCY, UTAH,
as Agency

(AGENCY SEAL)

[Executive Director]

ATTEST:

City Recorder

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____
Vice President

EXHIBIT A

FORM OF REQUISITION

RE: Millcreek Community Reinvestment Agency Tax Increment Revenue [Refunding]
[Exchange] Bonds, Series _____ [Federally Taxable] in the sum of \$ _____

U.S. Bank Trust Company, National Association
Corporate Trust Department
170 South Main Street, Suite 200
Salt Lake City, Utah 84101

You are hereby authorized to disburse from the 20____ Account of the Construction Fund
with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

AMOUNT: \$ _____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: _____

Each obligation, item of cost, or expense mentioned herein has been properly incurred, is a proper
charge against the 20____ Account of the Construction Fund based upon audited, itemized claims
substantiated in support thereof, and has not been the basis for a previous withdrawal.

DATED: _____

Authorized Representative

EXHIBIT B

PROJECT AREA DESCRIPTION

The following described property located in Salt Lake County, State of Utah:
The Millcreek Center CRA is enclosed within the following boundaries and is described as:

INTERLOCAL SALES TAX PLEDGE AGREEMENT

This INTERLOCAL SALES TAX PLEDGE AGREEMENT (the “Agreement”) is entered into as of August 1, 2025, by and between MILLCREEK, UTAH (the “City”) a municipal corporation and political subdivision of the State of Utah and the MILLCREEK COMMUNITY REINVESTMENT AGENCY, UTAH (the “Agency”), a redevelopment agency existing under the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C, Utah Code Annotated 1953, as amended (“Utah Code”) (the “Redevelopment Act”).

W I T N E S S E T H:

WHEREAS, the Agency has been established by the City for the purpose of redeveloping and developing certain areas within the City in order to accomplish the purposes of the Redevelopment Act; and

WHEREAS, pursuant to the Redevelopment Act and other provisions of law of the State of Utah, the City and the Agency may enter into an agreement whereby the City may grant or contribute funds to the Agency for economic development; and

WHEREAS, the City and the Agency have previously authorized the establishment of the Millcreek Center Community Reinvestment Area (the “Project Area”); and

WHEREAS, pursuant to the terms of a General Indenture of Trust and a First Supplemental Indenture, each dated as of August 1, 2025 (collectively, the “RDA Indenture”), and each by and between the Agency and U.S. Bank Trust Company, National Association (the “Trustee”), the Agency intends to issue its \$_____ Sales Tax and Tax Increment Revenue Bonds, Series 2025A (the “Series 2025A Bonds”) and \$_____ Sales Tax and Tax Increment Revenue Bonds, Series 2025B (Federally Taxable) (the “Series 2025B Bonds and, together with the Series 2025A Bonds, the “Series 2025 Bonds”) for the purpose of (i) financing land acquisition and improvements permitted under the CRA plan and related improvements (the “Series 2025 Project”) located within the Project Area and (ii) paying costs associated with the issuance of the Series 2025 Bonds; and

WHEREAS, the City is authorized to issue sales tax bonds and may issue such bonds from time to time (collectively, the “Sales Tax Bonds”) pursuant to a General Indenture of Trust dated as of July 1, 2019 (as supplemented and amended, the “Sales Tax Indenture”) by and between the City and the Trustee; and

WHEREAS, the Utah Interlocal Cooperation Act (the “Interlocal Cooperation Act”), Title 11, Chapter 13, Utah Code provides that two or more public agencies may, by agreement, jointly exercise any power common to the contracting parties, and may share taxes and other revenues to accomplish their stated objectives; and

WHEREAS, in addition to the Tax Increment Revenues (as defined in the RDA Indenture), the Series 2025 Bonds are payable from sales tax revenues (the “Sales Tax Revenues”) the City collects under Title 59, Chapter 12, Part 2 of the Utah Code; and

WHEREAS, the City has agreed to enter into this Agreement with the Agency to pledge the Sales Tax Revenues to the Series 2025 Bonds to pay any amounts owed on the Series 2025 Bonds, which pledge is on a parity with payment by the City of the Sales Tax Bonds; and

WHEREAS, the debt service on the Series 2025 Bonds is set forth in Exhibit A hereto; and

WHEREAS, this Agreement and the obligation and pledge of the Sales Tax Revenues hereunder has been authorized under the Sales Tax Indenture and pursuant thereto shall constitute an Additional Bond under and as defined in the Sales Tax Indenture and such obligation and pledge shall terminate only upon payment of the Series 2025 Bonds in full; and

WHEREAS, the City and the Agency have found and determined that the pledge of the Sales Tax Revenues is essential to the issuance of the Series 2025 Bonds, is in the best proprietary and business interests of the City and will promote the health, safety and welfare of the City and its inhabitants by reducing the debt service and related costs of the Series 2025 Bonds; and

NOW, THEREFORE, in consideration of the mutual promises, the covenants contained herein, and other good and valuable consideration, the receipt of which is acknowledged, the parties hereto agree as follows:

Section 1. The Agency agrees that upon issuance of the Series 2025 Bonds it will use the net proceeds of such Series 2025 Bonds to finance the Series 2025 Project and pay costs of issuance.

Section 2. The City and the Agency, as applicable, agree as follows:

(a) Pursuant to Section 17C-1-207 and Section 17C-1-409 of the Redevelopment Act, the City agrees to assist the Agency in repaying the Series 2025 Bonds, and in furtherance of such agreement, hereby irrevocably pledges, assigns and grants a security interest in the Sales Tax Revenues received from and after the date of execution hereof to the Agency for the purpose of payment of the Series 2025 Bonds pursuant to the Sales Tax Indenture.

(b) The City covenants that it will continue to impose the taxes constituting the Sales Tax Revenues until all of the Series 2025 Bonds have been paid or until moneys for that purpose have been irrevocably set aside. While any of the Series 2025 Bonds remain outstanding and unpaid, any ordinance, resolution or other enactment of the City, implementing the taxes constituting the Sales Tax Revenues or transferring the revenues therefrom to the Agency for the payment of the Series 2025 Bonds shall not be amended or modified in any manner which would materially impair the rights of the holders of the Series 2025 Bonds or which would in any way materially jeopardize the timely payment of principal or interest on the Series 2025 Bonds when due. The City currently does not anticipate that it will reduce the rate of or repeal the imposition of the taxes from which the Sales Tax Revenues are derived and hereby covenants, subject to the limitations set forth immediately below, not to do so. However, the parties hereto recognize that the State legislature may reduce the maximum rate of such taxes. The City covenants that it will account for the Sales Tax Revenues separate and apart from the other funds of the City, and take such other actions as may be necessary to maintain the perfected security interest

in the Sales Tax Revenues created for the benefit of the Agency and the holders of the Series 2025 Bonds herein. To the extent necessary to provide for the timely payment of the principal and interest on the Series 2025 Bonds, the City shall pay to the Agency for payment to the Trustee such amounts from the Sales Tax Revenues as shall be needed to make such payments.

(c) The Agency will account for the Sales Tax Revenues separate and apart from other funds of the Agency and will transfer the Sales Tax Revenues to the Trustee for payment of the Series 2025 Bonds consistent with the terms of the RDA Indenture and the Sales Tax Indenture.

(d) All books, instruments and documents in the Agency's and the City's possession relating to the Series 2025 Project, the Agency Revenues (as defined herein), and the Sales Tax Revenues shall be open to inspection at all times during the City's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time.

(e) The Sales Tax Revenues are hereby allocated and pledged as described above to the payment of the Series 2025 Bonds and until all of the Series 2025 Bonds and all interest thereon have been paid (or until moneys for that purpose have been irrevocably set aside), the Sales Tax Revenues (except as otherwise specifically provided in the RDA Indenture and this Agreement) shall next be applied to the payment of the Series 2025 Bonds, the interest thereon, and premium, if any, then due as provided in the RDA Indenture, and then any other purpose permitted by law.

(f) At least forty-five (45) days prior to each Interest Payment Date (as defined in the RDA Indenture), the Agency shall notify the City in writing the extent, if any, by which Debt Service (as defined in the RDA Indenture) exceeds amounts on deposit in the Bond Fund for the Series 2025 Bonds (the "Revenue Shortfall").

(g) Subject to the conditions of (f) above, at least thirty (30) days prior to each Interest Payment Date (as defined in the RDA Indenture), the City agrees to remit Sales Tax Revenues to the Agency in an amount equal to the Revenue Shortfall.

(h) Once the City and Agency have remitted to the Trustee sufficient moneys for principal and/or interest payments on the Series 2025 Bonds then due as required by the RDA Indenture, and assuming that all payments then due with respect to the Series 2025 Bonds have been paid and are current, any Sales Tax Revenues then held by the Agency or the City may, subject to the lien of any other obligations, be released to the City for its use for any lawful purpose.

Section 3. The City and the Agency recognize that the intent of the parties hereto is to use the tax increment revenues from the Project Area (the "Agency Revenues"), to the extent available, to pay or repay to the City amounts sufficient to pay amounts due with respect to the Series 2025 Bonds. In furtherance thereof, the Agency agrees to deposit with the City as such Agency Revenues become available to the Agency, all such Agency Revenues such that the City

will have, to the extent available, sufficient Agency Revenues to pay or immediately reimburse the City for having paid all principal and interest on the Series 2025 Bonds.

Section 4. The Agency agrees to apply such Sales Tax Revenues received pursuant to this Agreement to the payment of the Series 2025 Bonds (including by pledging such amounts to the Trustee).

Section 5. Nothing contained in this Agreement shall be construed to create a general obligation liability of the City. The obligations hereunder and under the Series 2025 Bonds shall not be a debt of the City pursuant to any constitutional or statutory debt limitations, and the issuance of the Series 2025 Bonds and the execution of this Agreement shall not require the City to levy any form of taxation or to appropriate any moneys for the payment of the Series 2025 Bonds or amounts otherwise due under this Agreement (it being understood that this Section shall not limit the obligation of the City to levy and pay the Sales Tax Revenues to the Trustee as provided under the Sales Tax Indenture and hereunder).

Section 6. This Agreement shall be effective upon the date it is executed by both parties and filed with the keeper of the records of each party. The obligation and pledge of this Agreement shall terminate at such time as the Series 2025 Bonds are no longer outstanding.

Section 7. The City's obligation to make such payments and to perform and observe the other agreements and covenants on its part contained in this Agreement shall be absolute, irrevocable and unconditional, and shall not be limited or reduced by any rights of set off, recoupment or counterclaim it might otherwise have against the Trustee, the Agency or any holder of the Bonds.

Section 8. So long as the Series 2025 Bonds are outstanding under the RDA Indenture, the Trustee shall be an express third-party beneficiary of this Agreement. This Agreement shall not be amended without the prior written consent of the Trustee, which consent shall not be unreasonably withheld or delayed.

Section 9. This Agreement creates a valid and binding pledge and assignment of, and security interest in, all of the Sales Tax Revenues pledged hereunder in favor of the Agency, as security for payment of the Series 2025 Bonds, enforceable by the Agency, as its interests may appear, in accordance with the terms hereof.

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

This Agreement also creates a valid and binding pledge and assignment of, and security interest in, all of the Agency Revenues pledged hereunder in favor of the City, as security for payment or repayment of amounts required to be advanced by the City hereunder for payment to the Agency of amounts due with respect to the Series 2025 Bonds, enforceable by the City in accordance with the terms hereof.

Section 10. In satisfaction of the requirements of the Interlocal Cooperation Act in connection with this Agreement, the City and the Agency agree as follows:

(a) This Agreement shall be authorized and adopted by resolutions of the City and the Agency pursuant to and in accordance with the provisions of Section 11-13-202.5, Utah Code;

(b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of the City and the Agency pursuant to and in accordance with the Section 11-13-202.5(3), Utah Code;

(c) A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of the City and the Agency pursuant to Section 11-13-209, Utah Code;

(d) The City and the Agency agree that they do not, by this Agreement, create an interlocal entity;

(e) As required by Section 11-13-207, Utah Code, the City and the Agency agree that the undertaking under this Agreement shall initially be administered by the Chief Administrative Officer of the City and the Chief Executive Officer of the Agency; provided however, that such administrators may be replaced by their respective governing bodies. Any real or personal property used and the City and the Agency's cooperative undertaking herein shall be acquired, held, and disposed of as determined by such administrators; and

(f) No budget shall be established or maintained except as described herein.

Section 11. This Agreement shall be governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first written above.

MILLCREEK, UTAH

(CITY SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

APPROVED AS TO PROPER FORM AND
COMPLIANCE WITH APPLICABLE LAW:

Counsel to the City

MILLCREEK COMMUNITY
REINVESTMENT AGENCY, UTAH

(AGENCY SEAL)

By: _____
Chief Executive Officer

ATTEST:

By: _____
City Recorder

APPROVED AS TO PROPER FORM AND
COMPLIANCE WITH APPLICABLE LAW:

Counsel to the Agency

EXHIBIT A

DEBT SERVICE SCHEDULE OF THE SERIES 2025 BONDS

SALES TAX REVENUE BONDS
GENERAL INDENTURE OF TRUST

Dated as of July 1, 2019

between

MILLCREEK, UTAH

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

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THIS GENERAL INDENTURE OF TRUST, dated as of July 1, 2019, by and between Millcreek, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer"), and U.S. Bank National Association, 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 corporate trust office in Salt Lake City, Utah, as trustee (the "Trustee"),

W I T N E S S E T H:

WHEREAS, the Issuer desires to finance and/or refinance all or a portion of the costs of facilities, equipment and improvements for the benefit of the Issuer pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and/or the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"); and

WHEREAS, the Issuer is authorized under the Act to issue its bonds secured by a pledge of and payable from the Revenues described herein; and

WHEREAS, the Issuer desires to pledge said Revenues toward the payment of the principal and interest on Bonds issued hereunder:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

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

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

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, FIRST, with respect to the Revenues, for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture and all Security Instrument Issuers without privilege, priority or distinction as to

the lien or otherwise of any Bond or Security Instrument Issuer over any other by reason of time of issuance, sale, delivery or maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever;

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

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

ARTICLE I

DEFINITIONS

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

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

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

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

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

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

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

“Authorized Representative” means the Mayor, the City Manager, or the Finance Director of the Issuer or any other officer of the Issuer certified in writing to the Trustee by the Issuer.

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

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

“Bond Fund” means the Millcreek, Utah Sales Tax Revenue Bond Fund created in Section 3.2 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

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

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

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

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

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

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

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

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

“Construction Fund” means the Millcreek, Utah Sales Tax Revenue Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

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

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

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

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

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

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

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

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

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

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

provided, however, for purposes of Section 2.13 hereof,

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

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

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

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

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

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

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

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

"Debt Service Reserve Fund" means the Millcreek, Utah Sales Tax Revenue Debt Service Reserve Fund created in Section 3.4 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

"Debt Service Reserve Requirement" means, with respect to each Series of Bonds issued pursuant to this Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (a) ten percent (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 two percent (2%) of original Principal, then determined on the basis of initial purchase price to the public), (b) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (c) one hundred twenty-five percent (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 this 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 (2) Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as herein provided or, if provided in the related Supplemental Indenture, may be accumulated over time. Each account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

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

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

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

“Fitch” means Fitch Ratings.

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

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

(a) State and Local Government Series issued by the United States Treasury (“SLGS”);

(b) United States Treasury bills, notes and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations fully and unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

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

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

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

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

“Issuer” means Millcreek, Utah and its successors.

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

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

“Owner(s)” or “Registered Owner(s)” means the registered owner(s) of the Bonds according to the registration books of the Issuer maintained by the Trustee as Registrar for the Bonds pursuant to Sections 2.6, 6.5, and 11.5 hereof.

“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 Sections 6.6 and 11.5 hereof, and any additional or successor paying agent appointed pursuant hereto.

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

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

“Principal Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at Corporate Trust Services, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, 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 amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment and (ii) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

“Project” means the acquisition, construction, and/or improvement of capital facilities, equipment and/or improvements financed or refinanced with a Series of Bonds that qualifies as an appropriate use for the Revenues.

“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 Put Bond and designating it as a “Put Bond”.

“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 such funds;
- (d) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s or “A-1+” by S&P, and which matures not more than 270 days after the date of purchase;
- (e) Bonds, notes or other evidences of indebtedness rated “AAA” by S&P and “Aaa” by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

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

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

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, Annotated 1953, as amended, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

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

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

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

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

"Rebate Fund" means the Millcreek, Utah Sales Tax Revenue Rebate Fund created in Section 3.6 hereof to be held by the Trustee and administered pursuant to Section 5.7 hereof.

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

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

“Regulations,” and all references thereto means the 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 the remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

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

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

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

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

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

“Reserve Instrument Fund” means the Millcreek, Utah Sales Tax Revenue Reserve Instrument Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.6 hereof.

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

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

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement 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 Millcreek, Utah Sales Tax Revenue Fund created in Section 3.7 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

“Revenues” means (i) 100% of the Sales and Use Tax and (ii) Direct Payments.

“S&P” means S&P Global Ratings.

“Sales and Use Tax” means 100% of the sales and use tax revenues received by the Issuer pursuant to the Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2 of the Utah Code.

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

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

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

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

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a

Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

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

“Sinking Fund Account” means the Millcreek, Utah Sales Tax Revenue Sinking Fund Account of the Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.4 hereof.

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

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

“State” means the State of Utah.

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

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

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

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

“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 U.S. Bank National Association, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

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

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

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

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

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

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

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

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

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

ARTICLE II

THE BONDS

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

Section 2.2 Description of Bonds; Payment.

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

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

(c) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States of America designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. Unless otherwise specified in the

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

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

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

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

Section 2.4 Authentication and Delivery of Bonds.

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

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

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

(i) A copy of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds;

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

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

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

binding and enforceable agreement of the Issuer; (b) this Indenture creates the valid pledge which it purports to create of the Revenues; and (c) the Bonds of such Series are valid and binding obligations of the Issuer, entitled to the benefits and security hereof, provided that such opinion may contain limitations acceptable to the purchaser of such Series of Bonds;

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

(e) Subject to any limitations contained in a Supplemental Indenture, the Issuer may provide a Security Instrument for any Series of Bonds (or may substitute one Security Instrument for another);

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

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

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

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

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

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

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

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

Section 2.6 Registration of Bonds; Persons Treated as Owners. The Issuer shall cause the books for the registration and for the transfer of the Bonds to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, provided, however, that the Issuer may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Upon the occurrence of an Event of Default which would require any Security Instrument Issuer to make payment under a Security Instrument Agreement, the Registrar shall make such registration books available to the Security Instrument Issuer. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the Principal Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed

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

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

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

Section 2.7 Redemption Provisions. The Term Bonds of each Series of Bonds shall be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if fewer than all Bonds of a Series are to be redeemed, the particular maturities of such Bonds to be redeemed and the Principal amounts of such maturities to be redeemed shall be selected by the Issuer. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 2.9 herein, to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee, in its discretion, may deem fair and appropriate.

Section 2.8 Notice of Redemption.

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

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

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

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

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

(v) the redemption price;

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

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

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, simultaneously with or shortly after the mailed notice to Registered Owners, by posting such notice to the MSRB's Electronic Municipal Market Access website or its successors. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

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

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

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

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

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

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

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

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

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

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

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

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Revenues, less any Direct Payments, for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 200% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds plus (y) the average annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds; and

provided, however, that such Revenue coverage test set forth above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued hereunder and (ii) the maximum Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining maximum Aggregate Annual Debt Service for the Bonds being refunded therewith; and

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

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

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

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

ARTICLE III

CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Construction Fund. There is hereby created

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

Section 3.2 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.3 Creation of Sinking Fund Account. There is hereby created and ordered established in the custody of the Trustee as a separate account within the Bond Fund the Sinking Fund Account.

Section 3.4 Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee the Debt Service Reserve Fund.

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

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

Section 3.7 Creation of Revenue Fund. There is hereby created and ordered established in the custody of the Issuer the Revenue Fund. For accounting purposes, the Revenue Fund may be redesignated by different account names by the Issuer from time to time.

Section 3.8 Creation of Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article III until such funds or accounts shall be utilized as provided in a Supplemental Indenture. The Issuer may, by Supplemental Indenture, authorize the creation of additional funds and additional accounts within any fund.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

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

ARTICLE V

USE OF FUNDS

Section 5.1 Use of Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing, and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three (3) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit A attached hereto, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon 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 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 Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

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

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

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

(d) In the event the certificate filed with the Trustee pursuant to Section 5.1(c) above 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 Construction Fund and all disbursements therefrom.

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

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default hereunder.

Section 5.2 Application of Revenues. All Revenues shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(a) So long as any Bonds are Outstanding and as a first charge and lien on the Revenues, the Issuer shall on or before fifteen days prior to each Interest Payment Date, principal payment date, and Sinking Fund Installment payment date, allocate to the Revenue 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 Issuer need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus

(iii) the Sinking Fund Installment falling due on the next succeeding Sinking Fund Installment payment date, plus

(iv) notwithstanding subsections (i) through (iii) above, amounts owing with respect to Administrative Costs which shall be paid by the Issuer from time to time as they become due and payable.

The Issuer shall transfer from the Revenue Fund or otherwise provide for allocation from Revenues to the Trustee for deposit to the Bond Fund at least fifteen days prior to each Interest Payment Date amounts sufficient 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.

(b) As a second charge and lien on the Revenues, the Issuer shall on or before fifteen days prior to each Interest Payment Date, principal payment date, and Sinking Fund Installment payment date, make the following transfers to the Trustee:

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

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

The Revenues remaining after the foregoing deposits and transfers in each month and not required to be used for remedying any deficiencies in payments previously made into the Funds hereinabove established, may be used at any time for any other lawful purpose.

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

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

(i) accrued interest received upon the issuance of any Series of Bonds;

(ii) all moneys payable by the Issuer as specified in Section 5.2(a) hereof;

(iii) any amount in the Construction Fund to the extent required by or directed pursuant to Section 5.1(f) hereof upon completion of a Project or pursuant to Section 5.1(g) hereof;

(iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in Section 5.5 hereof; and

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

(b) Except as provided in Section 7.4 hereof and as provided in this Section 5.3 and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;

(ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

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

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity

with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

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

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

Section 5.4 Use of Sinking Fund Account.

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

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

Section 5.5 Use of Debt Service Reserve Fund. Except as otherwise provided in this Section 5.5 and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of

a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof or (ii) deposited from available Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any bond insurer or other Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section 5.5, the Issuer is required, pursuant to Section 5.2(b) hereof and the provisions of any Supplemental Indenture, to make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

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

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

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

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

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

opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument and use such amounts for the related Project or to pay principal on the related Bonds.

Section 5.7 Use of Rebate Fund.

(a) If it becomes necessary for the Issuer to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds which are subject to said rebate requirements are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for one or more Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by the determination report, be paid by the Trustee to the Issuer.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Indenture must be verified in writing by an independent public accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations and certifications required by this Section 5.7 and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations and certifications required by this Section 5.7.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 5.7. By agreeing to give

this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) The provisions of this Section 5.7 may be amended or deleted without Bondowner consent or notice, upon receipt by the Issuer and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the excludability from gross income of interest on the Bonds or the status of the Bonds as Build America Bonds.

Section 5.8 Investment of Funds. Any moneys in the Bond Fund, the Construction Fund, the Rebate Fund, the Reserve Instrument Fund and 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 and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund, Bond Fund, the Reserve Instrument Fund and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with Section 5.5 hereof. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section 5.8. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

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

The Issuer acknowledges that to the extent regulations of the comptroller of the currency or any other regulatory entity grants 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 shall furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

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

Section 5.9 Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except as provided otherwise in Section 5.7 hereof, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 5.10 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.

ARTICLE VI

GENERAL COVENANTS

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

- (a) Pursuant to Section 11-14-307(2)(d) of the Act, while any of the Bonds remain outstanding and unpaid, or any Repayment Obligations are outstanding, the ordinance, resolution or other enactment of the Issuer imposing the taxes described in the definition of Revenues and pursuant to which said taxes are being collected, the obligation of the Issuer to continue to levy, collect, and allocate such taxes, and to apply such Revenues in accordance with the provisions of the authorizing ordinance, resolution or other enactment, 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 Repayment Obligations which would in

any way jeopardize the timely payment of principal or interest when due. The Issuer covenants to take all actions necessary to continue the Sales and Use Tax included in the Revenues.

(b) The outstanding Bonds to which the Revenues (less Direct Payments) of the Issuer have been pledged as the sole source of payment shall not at any one time exceed an amount for which the Average Aggregate Annual Debt Service Requirement of the Bonds will exceed eighty percent (80%) of the Revenues (less Direct Payments) to be received by the Issuer during the Bond Fund Year immediately preceding the Bond Fund Year in which the resolution authorizing the applicable Series of Bonds is adopted.

(c) 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 to the receipt and disbursements of the Revenues. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements of the Revenues, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider.

Section 6.2 First Lien Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the 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 Revenues and shall not be entitled to any priority one over the other in the application of the 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) Revenues, or (iii) Funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 6.3 Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment

Obligations are payable solely from the Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

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

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

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

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

The Issuer's Mayor and City Recorder are hereby authorized and directed to execute such certificates as shall be necessary to establish that tax-exempt Bonds or Build America Bonds issued hereunder are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations promulgated or proposed thereunder, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners of such Bonds that no use will be made of the proceeds of the issue and sale of such Bonds, or any funds or accounts of the Issuer which may be deemed to be available proceeds of such Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such Bonds, would have caused the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of such Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

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

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

Section 6.9 Instruments of Further Assurance. The Issuer and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, or upon the request of a Security Instrument Issuer or a Reserve Instrument Provider, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or any official thereof.

Section 6.10 Covenant of State of Utah. In accordance with Section 11-14-307(3), Utah Code Annotated 1953, as amended, the State of Utah hereby pledges and agrees with the Owners of the Bonds and all Reserve Instrument Providers that it will not alter, impair or limit the taxes included in the Revenues in a manner that reduces the

amounts to be rebated to the Issuer which are devoted or pledged herein until the Bonds, together with applicable interest, and all Reserve Instrument Repayment Obligations, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the Owners of the Bonds.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.1 Events of Default. Each of the following events is hereby declared an “Event of Default”:

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

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

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

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

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

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or of the whole or any part of the Issuer’s property

and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

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

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

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

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

Section 7.2 Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to Section 8.1 hereof, may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder including the right to require the Issuer to make monthly deposits to the Bond Fund in the amounts set forth in Sections 5.2(a)(i) through 5.2(a)(iii).

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

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any

other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

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

No waiver of any Event of Default hereunder, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

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

Section 7.4 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

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

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

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any

particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

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

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

Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 7.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants

any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Section 7.6 Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section 7.6, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.1(g), or of which by said Section it is deemed to have notice, nor unless also Registered Owners of 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7 Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Registered Owner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8 Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default hereunder

and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

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

ARTICLE VIII

THE TRUSTEE

Section 8.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The

Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

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

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

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by an Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 8.1(g) herein, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

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

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 7.1(a) or 7.1(b), unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

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

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

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

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

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

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

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

Section 8.2 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this Section 8.2 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.3 Notice to Registered Owners if Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 8.1(g) hereof required to take notice or if notice of an Event of Default be given to the Trustee as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail to all Security Instrument Issuers or to Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 8.4 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by the Registered Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section 8.4 are subject to the approval of a court of competent jurisdiction.

Section 8.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and

all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered or certified mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee by the Registered Owners or by the Issuer as provided in Section 8.8 hereof; provided, however that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 8.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 8.8 Appointment of Successor Trustee by Registered Owners; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer or if an Event of Default exists by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy, the Issuer by an instrument executed by an Authorized Representative under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee appointed pursuant to the provisions of this Section 8.8 or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000.

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

Section 8.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII shall be filed and/or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed and/or recorded.

Section 8.10 Trustee Protected in Relying Upon Indenture, Etc.. The indentures, opinions, certificates and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11 Successor Trustee as Trustee of Funds; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee hereunder and Registrar for the Bonds and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 8.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of remedies on Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 8.12 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended hereby to be exercised

by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

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

Section 8.13 Annual Accounting. The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and to each Reserve Instrument Provider requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least 25% in aggregate principal amount of Bonds then Outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports concerning the transactions described herein that were delivered by the Trustee during the Bond Fund Year just ended.

Section 8.14 Indemnification. To the extent permitted by law and subject to the provisions of Section 8.1(a) of this Indenture, the Issuer shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct.

Section 8.15 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

Section 8.16 Direct Payment Authorization. The Issuer hereby authorizes and directs the Trustee to take all necessary actions to effectively carry out the duties required to apply for and accept Direct Payments from the Internal Revenue Service on behalf of the Issuer under Sections 54AA and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized, including, but not limited to, filing and signing IRS Form 8038-CP, receiving the Direct Payment on the Issuer's behalf, and using such Direct Payment to pay Debt Service on the Bonds. For fixed rate bonds, the Trustee shall file the 8038-CP at least 50 days (but not more than 90 days) before the relevant Interest Payment Date (unless otherwise directed by a change in regulations). For variable rate bonds, the Trustee shall file the 8038-CP for reimbursements in arrears within 25 days after the last Interest Payment Date within the quarterly period for which reimbursement is being requested (unless otherwise directed by a change in regulations). The Issuer hereby covenants that it will deposit the Direct Payments with the Trustee for use in paying Debt Service on the Bonds.

ARTICLE IX

SUPPLEMENTAL INDENTURES

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

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.13 hereof;
- (b) To cure any ambiguity or formal defect or omission herein;
- (c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;
- (d) To subject to this Indenture additional Revenues or other revenues, properties, collateral or security;
- (e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, Annotated 1953, as amended, 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 Issuers or any Reserve Instrument Provider requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

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

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

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

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project and (2) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds; and

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

Section 9.2 Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section 9.2, and not otherwise, the Registered Owners of 66 2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary

notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any indenture supplemental hereto; provided, however, that nothing in this Section 9.2 contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement hereto shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in Section 9.1, neither this Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 2.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Issuer may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than 66 2/3% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE X

DISCHARGE OF INDENTURE

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

Any Bond shall be deemed to be paid within the meaning of this Article X when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee, and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Direct Obligations.

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

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);

(b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to Article II above; and

(c) directing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this Article X has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article X and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in Article II.

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

No such deposit under this Article X shall be made or accepted hereunder 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 Sections 148 of the Code.

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

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

ARTICLE XI

MISCELLANEOUS

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

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and the Reserve Instrument Providers as herein provided.

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

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

Section 11.4 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer if the same shall be duly mailed by registered or certified mail 3330 South 1300 East, Millcreek, Utah, 84106, Attention: City Recorder, or to such address as the Issuer may from time to time file with the Trustee. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail addressed to it at U.S. Bank National

Association, Corporate Trust Department, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, or to such other address as the Trustee may from time to time file with the Issuer.

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

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

Section 11.7 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

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

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

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

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

APPENDIX C

DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING SALT LAKE COUNTY, UTAH

The following demographic information is provided solely as background information regarding Salt Lake County (the “County”), the general area in which the Agency and the City are located. The County is the economic and population center of the State. Based on 2020 Census data, the County has approximately 36% of the total population of the State. The State capital, Salt Lake City, is located in the County.

County and State Population

<u>Year</u>	<u>County</u>	<u>% Change</u>	<u>State</u>	<u>% Change</u>
2024 Estimate	1,216,274	1.31%	3,503,613	1.75%
2023 Estimate	1,200,544	0.70	3,443,222	1.54
2022 Estimate	1,192,255	0.48	3,391,011	1.54
2021 Estimate	1,186,513	0.11	3,339,738	2.08
2020 Census	1,185,238	2.14	3,271,616	2.05
2019 Estimate	1,160,437	1.02	3,205,958	1.66
2018 Estimate	1,148,692	1.05	3,153,550	1.69
2017 Estimate	1,136,719	1.48	3,101,042	1.95
2016 Estimate	1,120,109	1.62	3,041,868	2.01
2015 Estimate	1,102,273	1.13	2,981,835	1.53
2010 Census	1,029,655	—	2,763,885	—

(Source: U.S. Census Bureau, Population Division.)

Note: The 2010 and 2020 Census are as of April 1 of those years; the annual population estimates are as of July 1 of the year given. Estimates are subject to change.

Rate of Unemployment – Annual Average

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2024	3.2%	3.2%	4.0%
2023	2.7	2.7	3.6
2022	2.4	2.4	3.6
2021	2.9	2.8	5.3
2020	5.3	4.8	8.1
2019	2.5	2.5	3.7
2018	2.9	2.9	3.9
2017	3.0	3.1	4.4
2016	3.1	3.3	4.9
2015	3.3	3.5	5.3

(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)

Economic Indicators in the County

LABOR FORCE ⁽¹⁾	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Labor Force (annual average)	693,444	681,550	664,322	645,193	638,440
Employed (annual average)	671,267	663,016	648,471	626,701	604,567
Unemployed (annual average)	21,177	18,534	15,851	18,492	33,873
Average Employment (Non-Farm Jobs)	808,038	800,225	783,881	750,123	720,686
% Change Prior Year	0.98	2.09	4.50	4.08	-2.24
<i>Average Employment by Sector:</i>					
Agriculture, Forestry, Fishing & Hunting	571	600	505	433	350
Mining	3,476	3,419	3,101	2,711	2,704
Utilities	2,755	2,674	2,621	2,540	2,613
Construction	56,103	54,136	52,254	49,403	46,121
Manufacturing	60,973	61,937	61,233	58,412	56,512
Wholesale Trade	40,141	38,399	36,899	34,826	33,589
Retail Trade	73,057	73,842	75,693	75,837	71,757
Transportation and Warehousing	50,964	50,935	48,540	46,635	45,470
Information	23,435	24,260	24,535	21,586	20,493
Finance and Insurance	51,854	51,142	51,666	51,570	50,506
Real Estate and Rental and Leasing	12,889	12,605	12,320	11,964	11,551
Professional, Scientific & Technical Services	75,991	75,975	73,906	67,717	62,213
Management of Companies and Enterprises	16,896	16,780	16,336	16,041	16,533
Administrative, Support, Waste Management, & Remediation	50,008	51,294	52,504	50,714	50,478
Education Services	68,665	66,619	65,262	62,248	63,779
Health Care and Social Assistance	93,640	90,862	86,331	83,898	81,223
Arts, Entertainment, and Recreation	13,230	12,260	11,306	9,691	8,178
Accommodation and Food Services	57,269	56,703	53,976	48,396	44,582
Other Services and Unclassified Establishments	23,208	23,147	22,902	22,348	21,239
Public Administration	33,910	32,634	31,989	31,155	30,797
Total Establishments	67,102	65,069	62,762	62,346	56,515
Total Wages (\$Millions)	62,018.6	58,435.7	54,673.5	49,206.1	44,541.0
INCOME AND WAGES	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Personal Income (\$000) ⁽²⁾	n/a	\$85,126,342	\$80,481,119	\$76,747,291	\$67,958,404
Per Capita Income ⁽²⁾	n/a	71,787	67,827	64,694	57,253
Median Household Income ⁽¹⁾	n/a	94,013	91,713	80,676	79,294
Average Monthly Nonfarm Wage ⁽¹⁾	\$6,396	\$6,085	\$5,812	\$5,466	\$5,150
SALES & CONSTRUCTION	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Gross Taxable Sales (\$000,000) ⁽³⁾	42,782.1	41,950.6	41,687.3	37,173.7	31,377.7
New Dwelling Units ⁽⁴⁾	4,093	8,824	8,864	11,037	10,660
Total Construction Value (\$000) ⁽⁴⁾	3,565,252.3	4,463,195.5	3,992,958.0	4,343,554.3	4,122,671.6
New Residential Value (\$000) ⁽⁴⁾	1,015,070.2	2,147,646.1	1,711,278.5	2,153,788.4	1,964,183.1
New Nonresidential Value (\$000) ⁽⁴⁾	637,834.0	910,557.6	1,303,331.3	1,056,514.3	974,277.3

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated November 2024; (3) Utah State Tax Commission; (4) University of Utah Ivory-Boyer Construction Database; Total Construction Value includes additions/alterations/repairs.)

Major Employers in the County

<u>Company</u>	<u>Industry</u>	<u>Employment Range</u>
University of Utah	Higher Education	20,000+
Intermountain Health Care	Health Care	20,000+
State of Utah	State Government	10,000-14,999
Granite School District	Public Education	7,000-9,999
Jordan School District	Public Education	7,000-9,999
Salt Lake County	Local Government	5,000-6,999
Amazon.com	Couriers	5,000-6,999
Wal-Mart	Warehouse Clubs & Supercenters	5,000-6,999
Delta Airlines	Air Transportation	5,000-6,999
Canyons School District	Public Education	4,000-4,999
ARUP Laboratories	Medical Laboratories	4,000-4,999
Salt Lake City	Local Government	3,000-3,999
Department of Veterans Affairs	Health Care	3,000-3,999
Smiths Food & Drug	Grocery Stores	3,000-3,999
United Parcel Service	Postal Service	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
Zions Bancorporation N A	Financial Services	3,000-3,999
US Postal Service	Postal Service	2,000-2,999
Biofire Diagnostics, LLC	Medical Research	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
L3 Technologies	Manufacturing	2,000-2,999
Skywest Airlines	Air Transportation	2,000-2,999
Kennecott Utah Copper	Mining	2,000-2,999
Harmons	Grocery Stores	2,000-2,999
Mountain America Credit Union	Financial Services	2,000-2,999
Utah Transit Authority	Public Transportation	2,000-2,999
Northrop Grumman Corp.	Aerospace Manufacturing	2,000-2,999
Discover Products Inc.	Financial Services	2,000-2,999
Costco Wholesale	Warehouse Clubs & Supercenters	2,000-2,999
Merit Medical Systems	Health Care	2,000-2,999
Wells Fargo Bank	Financial Services	2,000-2,999
Select Health	Medical Insurance Carriers	1,000-1,999
Fidelity Brokerage Services	Financial Services	1,000-1,999
Goldman Sachs and Co.	Nondepository Credit Intermediation	1,000-1,999
Maverik Country Stores	Gasoline Stations with Convenience Stores	1,000-1,999
St Marks Hospital	Hospitals	1,000-1,999
The Home Depot	Home Centers	1,000-1,999
McDonald's	Limited-Service Restaurants	1,000-1,999
Core Innovative Solutions	Residential Property Managers	1,000-1,999
Edwards Lifesciences	Medical Instrument Manufacturing	1,000-1,999
Catholic Health Initiatives	Colorado Hospitals	1,000-1,999
Target	Warehouse Clubs/Supercenters	1,000-1,999
Becton, Dickinson and Company	Medical Instrument Manufacturing	1,000-1,999
Snowbird Operations	Hotels	1,000-1,999
Swire Pacific Holdings	Grocery Merchant Wholesalers	1,000-1,999
R1 RCM	Professional, Scientific & Technical Services	1,000-1,999
Ultradent Products	Dental Equipment Manufacturing	1,000-1,999
Western Governor's University	Higher Education	1,000-1,999
Ebay	General Merchandise Retailers	1,000-1,999
Universal Protection	Security Guards & Patrol Services	1,000-1,999
Varex Imaging	Irradiation Apparatus Manufacturing	1,000-1,999
Optum Services	Software Publishers	1,000-1,999
Cache Valley Electric	Specialty Trade Contractors	1,000-1,999
ARO	Supermarkets	1,000-1,999
Pacificorp	Utilities	1,000-1,999
Sutter Health	Accounting Services	1,000-1,999
Dept of Defense	Federal Government	1,000-1,999
Western States Lodging & Management	Accommodations	1,000-1,999
West Valley City	Local Government	1,000-1,999

(Source: Utah Department of Workforce Services; last updated November 2024.)

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the Millcreek Community Reinvestment Agency, Utah (the “Agency”) in connection with the issuance of its \$_____ Sales Tax and Tax Increment Revenue Bonds, Series 2025A and \$_____ Sales Tax and Tax Increment Revenue Bonds, Series 2025B (Federally Taxable) (together, the “Series 2025 Bonds”).

The Agency hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined Rule and the only “obligated person” with respect to the Series 2025 Bonds. In connection with the aforementioned transactions, the Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Agency for the benefit of the Holders and Beneficial Owners of the Series 2025 Bonds and in order to assist the Participating Underwriter in complying with the Rule (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 terms used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings::

“Annual Report” shall mean any Annual Report provided by the Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Dissemination Agent” shall mean the Agency, or any successor Dissemination Agent designated in writing by the Agency and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) or 5(b) 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).

“Official Statement” shall mean the Official Statement of the Agency dated [_____], 2025, relating to the Series 2025 Bonds.

“Participating Underwriter” shall mean the original Underwriter of the Series 2025 Bonds required to comply with the Rule in connection with offering of the Series 2025 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 Agency shall, or shall cause the Dissemination Agent to, not later than two hundred twenty (220) days after the end of each fiscal year of the Agency (presently June 30), commencing with a report for the fiscal year ended June 30, 2025, provide to the MSRB in an electronic format an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. In each case, the Annual Report 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 Undertaking; provided that the audited financial statements of the Agency 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 Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) If by the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency to determine if the Agency is in compliance with subsection (a)..

(c) If the Dissemination Agent is unable to verify that the Annual Report has been provided to the MSRB by the dates required in Section 3(a), the Dissemination Agent (or the Agency) shall, in a timely manner, send a notice of a failure to file the Annual Report to the MSRB in an electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) if the Dissemination Agent is other than an officer of the Agency, file a report with the Agency 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 shall contain or incorporate by reference the following:

(a) A copy of the City's annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. 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 and audited financial statements will be provided when and if available.

(b) An update of the financial information of the type contained in the Official Statement in the tables under the following headings:

"PLEDGED SALES TAX REVENUES—Historical Summary of Local Option Sales Tax Revenues,"
"PROJECTED DEBT SERVICE COVERAGE" (*but only as revenue and coverage data become historically available*),
"THE CITY—Outstanding Obligations of the City," and
"THE AGENCY—Outstanding Debt of the Agency."

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 Agency or related public entities, 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 Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Agency shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2025 Bonds in a timely manner but in no event more than ten (10) Business Days after the occurrence of the Listed Event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;
5. 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 2025 Bonds or other material events affecting the tax status of the Series 2025 Bonds;
6. Defeasances;
7. Tender offers;
8. Bankruptcy, insolvency, receivership or similar proceedings;
9. Rating changes; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Agency, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the Agency shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2025 Bonds in a timely manner but in no event more than ten (10) Business Days after the occurrence of the Listed Event, if material:

1. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
2. Appointment of a successor or additional trustee or the change of the name of a trustee;
3. Non-payment related defaults;
4. Modifications to the rights of the owners of the Series 2025 Bonds;
5. Series 2025 Bond calls;
6. Release, substitution or sale of property securing repayment of the Series 2025 Bonds; or
7. Incurrence of a Financial Obligation of the Agency or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Agency, any of which affect security holders.

(c) Whenever the Agency obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Trustee or otherwise, the Agency shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Agency has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Agency 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 Agency determines that the Listed Event would not be material under applicable federal securities laws, the Agency 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 Agency 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 obligations of the Agency under this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2025 Bonds. If such termination occurs prior to the final maturity of the Series 2025 Bonds, the Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Agency shall be the Dissemination Agent. The initial Dissemination Agent shall be the Agency.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Undertaking, the Agency may amend this Undertaking and any provision of this 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 with respect to the Series 2025 Bonds, or the type of business conducted;

(b) The 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 2025 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 2025 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 2025 Bonds.

In the event of any amendment or waiver of a provision of this Undertaking, the Agency shall describe such amendment in the next Annual Report, 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 Agency. 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(f), and (ii) the Annual Report 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 Undertaking shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this 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 Undertaking. If the Agency 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 Undertaking, the Agency shall have no obligation under this 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 Agency to comply with any provision of this Disclosure Undertaking, any holder or beneficial owner of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency, 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 shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the Agency 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 negligence, gross negligence or willful misconduct. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2025 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Agency, the Dissemination Agent, the Participating Underwriter, the holders and beneficial owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

Date: _____, 2025.

[Signature Blocks Omitted]

APPENDIX E

FORM OF BOND COUNSEL OPINION

Upon the issuance of the Series 2025 Bonds, Gilmore & Bell, P.C., Bond Counsel to the Agency, proposes to issue its approving opinion in substantially the following form:

We have acted as bond counsel for the Millcreek Community Reinvestment Agency, Utah (the “Agency”), in connection with the issuance by the Agency of its \$_____ Sales Tax and Tax Increment Revenue Bonds, Series 2025A (the “Series 2025A Bonds”) and \$_____ Sales Tax and Tax Increment Revenue Bonds, Series 2025B (Federally Taxable) (the “Series 2025B Bonds” and together with the Series 2025A Bonds, the “Series 2025 Bonds”). The Series 2025 Bonds are being issued pursuant to (i) resolutions adopted on May 27, 2025 and July 28, 2025, by the Board of Directors of the Agency; (ii) a General Indenture of Trust, dated as of August 1, 2025 (the “General Indenture”), as supplemented by a First Supplemental Indenture of Trust dated as of August 1, 2025 (the “First Supplemental Indenture” and together with the General Indenture, the “RDA Indenture”) between the Agency and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); (iii) an Interlocal Sales Tax Pledge Agreement dated as of August 1, 2025 (the “Sales Tax Pledge Agreement”), between the Agency and Millcreek, Utah (the “City”); (iv) a General Indenture of Trust dated as of July 1, 2019, as previously supplemented, and as further supplemented by a Third Supplemental Indenture of Trust dated as of August 1, 2025 (collectively, the “City Indenture”), between the City and the Trustee; (v) the Limited Purpose Local Government Entities–Community Reinvestment Agency Act, Title 17C, Utah Code Annotated 1953, as amended and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended; and (vi) other applicable provisions of law.

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 under currently existing law and as of the date hereof, as follows:

1. The RDA Indenture and the Sales Tax Pledge Agreement have been authorized, executed and delivered by the Agency, and each constitutes a valid and binding obligation of the Agency and creates a valid lien on the Pledged Revenues and the Pledged Sales Tax Revenues (as each is defined in the RDA Indenture) and the other amounts pledged thereunder for the security of the Series 2025 Bonds.

2. The City Indenture and the Sales Tax Pledge Agreement have been authorized, executed and delivered by the City, and each constitutes a valid and binding obligation of the City and creates a valid lien on the Pledged Sales Tax Revenues and the other amounts pledged thereunder for the security of the Series 2025 Bonds.

3. The Series 2025 Bonds are valid and binding special obligations of the Agency, payable solely from the Pledged Revenues and the Pledged Sales Tax Revenues and other amounts pledged therefor in the RDA Indenture, and the Series 2025 Bonds do not constitute a general obligation indebtedness of the Agency within the meaning of any State of Utah constitutional provision or statutory limitation, nor a charge against the full faith and credit or ad valorem taxing power of the Agency or the City. The Agency has no taxing power.

4. The interest on the Series 2025A 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 computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Agency complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2025A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Agency has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Series 2025A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2025A Bonds.

5. The interest on the Series 2025 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 2025 Bonds.

The rights of the holders of the Series 2025 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

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities 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 will be issued for each maturity of the Series 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

DTC, the world's largest 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 S&P Global's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 2025 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 Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 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 2025 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 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 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 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain

that the nominee holding the Series 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 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 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency 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 2025 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 2025 Bonds will 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 Agency or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will 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 Participant and not of DTC, the Paying Agent, or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the Agency or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, 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 Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.