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## M E M O R A N D U M

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**DATE:** February 19, 2013  
**TO:** City Council Members  
**FROM:** Jennifer Bruno, Deputy Director  
**RE:** Resolution approving the refinancing of GO bonds previously issued for projects at the Hogle Zoo and Tracy Aviary

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The Administration has forwarded a resolution for Council consideration that would refinance up to \$8 million of General Obligation Bonds, which would be a refunding of bonds approved by voters in 2003 for the construction of various projects at the Hogle Zoo and Tracy Aviary.

The refinancing is estimated to save approximately \$1,135,000 over the last 11 years remaining on the bonds. The savings will be reflected in slightly lower property tax bills to property owners (each year, spread over the remaining life of the bonds). The final maturity date for these bonds is 2024.

The Administration regularly analyzes the potential value of refinancing bond issues. This refinancing would not extend the maturity date, but would lower the yearly debt service.

The current average coupon on the bonds is 4.47%. Based on recent market analysis, the City anticipates that we could see an effective interest rate (True Interest Cost) of 1.43%, and an average coupon around 4.28%.

This resolution is on the Council's February 19<sup>th</sup> agenda for consideration. If the Council adopts the resolution, the Administration and City Financial Advisor will proceed with the refinancing of these bonds. If the resolution is adopted, the bond sale will be tentatively scheduled for March 6, 2013, at which point the final interest rate and actual savings amount will be known.

DANIEL A. MULE'  
CITY TREASURER

**SALT LAKE CITY CORPORATION**  
DEPARTMENT OF ADMINISTRATIVE SERVICES  
TREASURER'S DIVISION

SCANNED TO: *Mayor*  
SCANNED BY: *Mayor*  
RALPH BECKER  
DATE: 1/31/2013

CITY COUNCIL TRANSMITTAL

  
David Everitt, Chief of Staff

Date Received:  
Date sent to Council: *By Mayor*  
02/04/2013



TO: Salt Lake City Council  
Kyle LaMalfa, Chair

DATE: January 31, 2013

FROM: Daniel A. Mulé, City Treasurer



SUBJECT: General Obligation Refunding Bonds, Series 2013A

STAFF CONTACT: Daniel A. Mulé, City Treasurer (801) 535-6411

DOCUMENT TYPE: Briefing/Resolution

**RECOMMENDATION:** The Administration recommends that on February 19, 2013, the City Council hold a discussion and adopt a Bond Resolution approving the issuance and sale of up to \$8,000,000 principal amount of General Obligation Refunding Bonds, Series 2013A (the "Bonds") and give authority to certain officers to approve the final terms and provisions of and confirm the sale of the Bonds within certain parameters set forth in the attached Bond Resolution.

**BUDGET IMPACT:** Approximately \$1,135,000 in savings will be realized over the next 11 years in reduced debt service payments resulting from the refunding of all callable outstanding General Obligation Bond, Series 2004 (Hogle Zoo and Tracy Aviary Projects). This savings will be reflected in slightly lower tax bills to property owners, spread over the years between now and 2024.

**BACKGROUND/DISCUSSION:** A special bond election held on November 4, 2003 gave voter authorization to the City to issue up to \$42.2 million in general obligation bonds, payable within 20 years, to construct or improve a variety of projects including \$10.2 million for the acquisition and construction of improvements to the elephant and rhinoceros exhibits at Hogle Zoo; and \$1.1 million for the acquisition and construction of an outdoor exhibit that features an Argentine pampas and wetland, an enclosed walk-through flight cage, holding spaces and viewing areas.

LOCATION: 451 SOUTH STATE STREET, ROOM 22B, SALT LAKE CITY, UTAH 84111

MAILING ADDRESS: P.O. BOX 145462, SALT LAKE CITY, UTAH 84114-5462

TELEPHONE: 801-535-7946 FAX: 801-535-6082

WWW.SLCGOV.COM



The City analyzes the potential value of refunding bond issues, particularly during periods of lower than normal interest rates or on an as needed basis. Refundings will be pursued under the following circumstances:

- a) To eliminate unsuitable indentures or outdated and/or overly restrictive covenants;
- b) To restructure debt payments to better meet budgetary constraints or opportunities, or to more closely coincide with anticipated revenue stream(s); and/or,
- c) To take advantage of market opportunities of achieving significant present value savings, considered to be at least 2% or greater on outstanding principal or where the final maturity of the outstanding bonds is of a short duration.

The current interest rate environment provides a favorable opportunity to do a refunding of a portion of the outstanding 2004 bond issue. Assuming interest rates remain at their present levels by the time the bonds are sold, the present value of savings to be achieved will be approximately \$944,000, or about 14.2% of the par value of bonds being refunded.

The current plan calls for the Bonds to be sold approximately March 6, 2013. The Designated Officers defined in the attached Bond Resolution are authorized to approve the interest rate(s) and other terms and provisions relating to the Bonds by executing the Certificate of Determination, which is also attached.

Please use the attached Agenda and Motion language provided by Bond Counsel immediately following this Transmittal. Also, as previously mentioned, a draft copy of the Bond Resolution and most of its attachments are included for your review. Please keep in mind that these are preliminary drafts and are subject to change.

**Unlike other bonding actions where documents need to be signed the evening of Council action to lock in rates, the Mayor and Council Chair will have until Friday, February 22, 2013 at the latest to sign the Bond Resolution.**

**The Certificate of Determination will need to be signed by the Mayor and Council Chair or their respective designees on the afternoon of the date of pricing and sale of the bonds, which is currently scheduled for March 6, 2013.**

Attachments

cc: Gina Chamness, Boyd Ferguson, Gordon Hoskins, Joseph Moratalla, Marina Scott, Mary Beth Thompson

**Salt Lake City Council**

Agenda Item for February 19, 2013

UNFINISHED BUSINESS:

**Suggested Agenda Language** relating to the delegating bond resolution for the general obligation refunding bonds to be considered by the City Council at its meeting on February 19, 2013:

Resolution: Authorizing the Issuance and the Sale of up to \$8,000,000 General Obligation Refunding Bonds

Consider adopting a delegating bond resolution authorizing the issuance and sale of up to \$8,000,000 aggregate principal amount of the City's general obligation refunding bonds to refund in advance of their maturity certain of the City's currently outstanding general obligation bonds, giving authority to certain officers to approve the final terms and provisions of such bonds within certain parameters and providing for related matters.

Staff Recommendation: Adopt the resolution.

**Suggested Motion Language** is as follows:

I move that the City Council adopt the delegating bond resolution authorizing the issuance and sale of up to \$8,000,000 aggregate principal amount of the City's general obligation refunding bonds to refund in advance of their maturity certain of the City's currently outstanding general obligation bonds, giving authority to certain officers to approve the final terms and provisions of such bonds within certain parameters and providing for related matters.

**SALT LAKE CITY, UTAH**

**Resolution No. \_\_ of 2013**

**Authorizing the Issuance and Sale of up to**

**\$8,000,000**

**General Obligation Refunding Bonds, Series 2013A**

**Adopted [February 19], 2013**

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**RESOLUTION NO. \_\_ OF 2013**

A Resolution authorizing the issuance and sale of up to \$\_\_\_\_\_ General Obligation Refunding Bonds, Series 2013A, of Salt Lake City, Utah; providing for the levy of taxes to pay principal of and interest on the Bonds; providing for the use of the proceeds thereof; making certain findings and covenants in connection therewith; providing for a system of registration therefor; ratifying actions heretofore taken; making certain representations and covenants concerning maintenance of the tax-exempt status of interest thereon under the federal income tax laws; authorizing the circulation of an Official Statement; approving the form and authorizing the execution of a Bond Purchase Agreement, an Escrow Agreement and a Continuing Disclosure Agreement; giving authority to certain officers to approve the final terms and provisions of the Bonds within the parameters set forth herein; and providing for related matters.

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WHEREAS, pursuant to the applicable provisions of the Act (defined below), the City Council (the “*City Council*”) of Salt Lake City, Utah (the “*Issuer*”), has authority to refund a portion of the now outstanding general obligation bonds of the Issuer in advance of their maturity dates, and, in order to benefit the Issuer by achieving a debt service savings on the Issuer’s general obligation bonds, the Issuer desires to issue general obligation bonds for the purpose of refunding and redeeming such outstanding general obligation bonds prior to their respective stated maturity dates;

WHEREAS, it is the finding and determination of the Issuer that the refunding of such outstanding general obligation bonds of the Issuer is beneficial to the Issuer;

WHEREAS, the form of an Escrow Agreement has been prepared and distributed to the Issuer, and the Issuer has examined the provisions of the Escrow Agreement and desires at this time to approve the terms and provisions of the Escrow Agreement and to authorize the execution and delivery thereof by the Mayor and the countersignature and attestation thereof by the City Recorder;

WHEREAS, in the opinion of the Issuer, it is in the best interests of the Issuer that (a) the Designated Officers be authorized to approve the final principal amount, maturity amounts, interest rates, dates of maturity and other terms and provisions relating to the Bonds, to execute the Certificate of Determination containing such terms and provisions and to accept the offer of the Underwriter for the purchase of the Bonds and (b) the Mayor be authorized to execute the Official Statement and other related documents with respect to the Bonds; and



WHEREAS, Section 11-27-4 of the Act provides for the publication of a Notice of Bonds to be Issued, and the Issuer desires to cause the publication of such a notice at this time in compliance with said Section with respect to such general obligation bonds;

NOW, THEREFORE, Be It Resolved by the City Council of Salt Lake City, Utah, as follows:

## ARTICLE I

### DEFINITIONS

*Section 101. Definitions.* As used in this Bond Resolution (including the preambles hereto), unless the context shall otherwise require, the following terms shall have the following meanings:

“*Act*” means, collectively, the Utah Refunding Bond Act, Chapter 27 of Title 11 of the Utah Code and the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code.

“*Bond Account*” means the Bond Account established in Section 213 hereof.

“*Bond Counsel*” means Chapman and Cutler LLP or another attorney or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement, dated \_\_\_\_\_, 2013, between the Issuer and the Underwriter pursuant to which the Bonds are to be sold by the Issuer to the Underwriter, in substantially the form attached hereto as *Exhibit E*.

“*Bond Registrar*” means each Person appointed by the Issuer as bond registrar and agent for the transfer, exchange and authentication of the Bonds. Pursuant to Section 206 hereof, the initial Bond Registrar is U.S. Bank National Association, of Salt Lake City, Utah.

“*Bond Resolution*” means this Resolution of the Issuer adopted on [February 19], 2013, authorizing the issuance and sale of the Bonds.

“*Bondowner*” or “*owner*” means the registered owner of any Bond as shown in the registration books of the Issuer kept by the Bond Registrar for such purpose.

“*Bonds*” means the Issuer’s General Obligation Refunding Bonds, Series 2013A authorized by the Bond Resolution.

“*Cede*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 401 hereof.

“*Certificate of Determination*” means the Certificate of Determination, a form of which is attached hereto as *Exhibit C*, of the Designated Officers delivered pursuant to Article II of this Bond Resolution, setting forth certain terms and provisions of the Bonds.

“*City Council*” means the City Council of the City, as the governing body of the City.

“*City Recorder*” means the City Recorder or any Deputy City Recorder of the City.

“*City Treasurer*” means the City Treasurer of the City or, in his absence or disability, the Deputy City Treasurer or such other official as shall be duly authorized to act in his stead.

“*Closing Date*” means the date of the initial issuance of the Bonds.

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

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement of the Issuer, in substantially the form attached hereto as *Exhibit A*, dated the Closing Date, for the purpose of providing continuing disclosure information under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as may be amended from time to time.

“*Costs of Issuance Account*” means the Costs of Issuance Account established in Section 213 hereof.

“*Depository Account*” means the Depository Account established in Section 213 hereof.

“*Designated Officers*” means (a) Ralph Becker, Mayor of the City, or, in the event of the absence or incapacity of Ralph Becker, David Everitt, the Mayor’s Chief of Staff, or in the event of the absence or incapacity of both Ralph Becker and David Everitt, Daniel A. Mulé, City Treasurer and (b) (i) Kyle LaMalfa, Chair of the City Council; or (ii) in the event of the absence or incapacity of Kyle LaMalfa, Jill Remington Love, Vice Chair of the City Council; or (iii) in the event of the absence or incapacity of both Kyle LaMalfa and Jill Remington Love, Carlton J. Christensen, a member of the City Council; or (iv) in the event of the absence or incapacity of Kyle LaMalfa, Jill Remington Love and Carlton J. Christensen, Søren D. Simonsen, a member of the City Council or (v) in the event of the absence or incapacity of Kyle LaMalfa, Jill Remington Love, Carlton J. Christensen and Søren D. Simonsen, Luke Garrott, a member of the City Council.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns.

“*Escrow Account*” means the Escrow Account established in the Escrow Agreement.

“*Escrow Agent*” means U.S. Bank National Association, in Salt Lake City, Utah, in its capacity as escrow agent.

“*Escrow Agreement*” means the Escrow Agreement, dated as of March 15, 2013, by and between the Issuer and the Escrow Agent, providing for payment of the redemption price of and interest on the Refunded Bonds prior to their maturity and upon their redemption date pursuant to call for redemption, in substantially the form attached hereto as *Exhibit F*.

“*Exchange Bond*” means any Exchange Bond as defined in Section 209 hereof.

“*Issuer*” means Salt Lake City, Utah.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations from the Issuer to DTC, dated May 30, 1995.

“*Mayor*” means the Mayor of the City, or in his absence or disability, such other official as shall be duly authorized to act in his stead.

“*Paying Agent*” means each Person appointed by the Issuer as paying agent with respect to the Bonds. Pursuant to Section 206 hereof, the initial Paying Agent is U.S. Bank National Association, of Salt Lake City, Utah.

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

“*Record Date*” means in the case of each interest payment date, the day that is fifteen (15) days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar.

“*Refunded Bonds*” means the Issuer’s currently outstanding Series 2004A Bonds that mature on or after June 15, 2015.

“*Regulations*” means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

“*Tax Certificate*” means any agreement or certificate of the Issuer that the Issuer may execute in order to establish and maintain the excludability of interest on the Bonds from gross income of the owners thereof for federal income tax purposes.

“*Underwriter*” means KeyBanc Capital Markets, Chicago, Illinois

“*United States*” means the government of the United States of America.

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

*Section 102. Rules of Construction.* Unless the context otherwise requires:

(a) references to Articles and Sections are to the Articles and Sections of this Bond Resolution;

(b) the singular form of any word, including the terms defined in Section 101, includes the plural, and vice versa, and a word of any gender includes all genders; and

(c) the terms “*hereby*,” “*hereof*,” “*hereto*,” “*herein*,” “*hereunder*” and any similar terms as used in this Bond Resolution refer to this Bond Resolution.

*Section 103. Authority for Bond Resolution.* This Bond Resolution is adopted pursuant to the provisions of the Act.

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

*Section 201. Authorization of Bonds, Principal Amount, Designation and Series.* In accordance with and subject to the terms, conditions and limitations established by the Act and in the Bond Resolution, a series of General Obligation Refunding Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of not to exceed Eight Million Dollars (\$8,000,000). Such series of bonds shall be designated “*General Obligation Refunding Bonds, Series 2013A.*” If the Designated Officers determine pursuant to Sections 204(b)(i) and 209 hereof that the principal amount to be issued shall be less than Eight Million Dollars (\$8,000,000), then the principal of such series of bonds shall be limited to the amount so determined by the Designated Officers.

*Section 202. Purpose.* The Bonds are hereby authorized to be issued under authority of the Act for the purpose of refunding the Refunded Bonds in advance of their maturity and paying costs related to the issuance and sale of the Bonds and the refunding of the Refunded Bonds.

*Section 203. Issue Date.* The Bonds shall be dated as of the Closing Date.

*Section 204. Bond Details.* (a) The Bonds shall mature on June 15 of the years and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the Closing Date, payable semiannually on June 15 and December 15 of each year, commencing June 15, 2013, and at the rates per annum, all as provided in the Certificate of Determination.

(b) There is hereby delegated to the Designated Officers, subject to the limitations contained in the Bond Resolution, the power to determine and effectuate the following with respect to the Bonds and the Designated Officers are hereby authorized to make such determinations and effectuations:

(i) the principal amount of the Bonds necessary to accomplish the purpose of the Bonds set forth in Section 202 herein and the aggregate principal amount of the Bonds to be executed and delivered pursuant to Section 209 herein; *provided* that the aggregate principal amount of the Bonds shall not exceed Eight Million Dollars (\$8,000,000);

(ii) the maturity date or dates and principal amount of each maturity of the Bonds to be issued; *provided, however*, that the Bonds mature over a period of not to exceed twelve (12) years from their date or dates;

(iii) the interest rate or rates of the Bonds, *provided, however*, that the interest rate or rates to be borne by any Bond shall not exceed six percent (6.00%) per annum;

(iv) the use and deposit of the proceeds of the Bonds including any available funds of the Issuer to be deposited in the Escrow Account;

(v) the amount, use and deposit of any funds of the Issuer legally available to provide for the refunding of the Refunded Bonds (including, as provided in Section 215 hereof, monies held by the Issuer for payment of debt service on the Refunded Bonds);

(vi) the aggregate price at which the Bonds will be sold to the Underwriter; *provided, however*, that the aggregate discount from par shall not exceed two percent (2.00%); and

(vii) any other provisions deemed advisable by the Designated Officers not materially in conflict with the provisions of the Bond Resolution.

(c) Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an interest payment date, in which event it shall bear interest from the date thereof, or (ii) it is registered and authenticated prior to the first interest payment date, in which event it shall bear interest from its date, or (iii) as shown by the records of the Bond Registrar, interest on the Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full. The Bond Registrar shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the form of Bond Registrar's certificate of authentication on each Bond. The Bonds shall bear interest on overdue principal at the respective rates provided in the Certificate of Determination.

*Section 205. Denominations and Numbers.* The Bonds shall be issued as fully-registered bonds, without coupons, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity. The Bonds shall be numbered with the letter prefix "R-" and from one (1) consecutively upwards in order of issuance.

*Section 206. Paying Agent and Bond Registrar.* U.S. Bank National Association, of Salt Lake City, Utah, is hereby appointed the initial Paying Agent and Bond Registrar for the Bonds. The Issuer may remove any Paying Agent and any Bond Registrar, and any successor thereto, and appoint a successor or successors thereto. The Mayor and the City Recorder are hereby authorized and directed to enter into an agreement or agreements with each Paying Agent (a "*Paying Agent Agreement*"), which may establish certain duties and obligations of the Paying Agent and the Issuer, including, without limitation those duties and obligations set forth in Section 502 hereof. Each Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to

the Issuer a written acceptance thereof, which written acceptance may be contained in a Paying Agent Agreement. The principal of, and premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America that, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of and premium, if any, on the Bonds shall be payable when due to the owner of each Bond upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent. Payment of interest on each Bond shall be made to the Person that, as of the Record Date, is the owner of the Bond and shall be made by check or draft mailed to the Person that, as of the Record Date, is the owner of the Bond, at the address of such owner as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date.

*Section 207. No Redemption.* The Bonds shall not be subject to redemption prior to maturity.

*Section 208. Sale of Bonds.* (a) The Bonds shall be sold to the Underwriter at the aggregate price set forth in the Certificate of Determination, on the terms and conditions set forth in the Bond Purchase Agreement and upon the basis of the representations therein set forth. The Bond Purchase Agreement, in substantially the form attached hereto as *Exhibit E* and containing substantially the terms and provisions set forth therein, is hereby authorized and approved. To evidence the acceptance of the Bond Purchase Agreement, the Mayor is hereby authorized and directed to execute and deliver, and the City Recorder to attest, countersign and seal the Bond Purchase Agreement, in substantially the form attached hereto as *Exhibit E*, with such insertions, deletions, changes, omissions and variations as the Mayor may deem appropriate (such approval of the Mayor of any such changes shall be conclusively established by the execution of the Bond Purchase Agreement).

(b) The Bonds shall be delivered to the Underwriter and the proceeds of sale thereof applied as provided in Section 210 hereof.

*Section 209. Execution of Bonds.* The Bonds shall be executed on behalf of the Issuer by the Mayor and attested and countersigned by the City Recorder (the signatures of the Mayor and City Recorder being either manual or by facsimile) and the official seal of the Issuer or a facsimile thereof shall be impressed or printed thereon. The use of such manual or facsimile signatures of the Mayor and the City Recorder and such facsimile or impression of the official seal of the Issuer on the Bonds are hereby authorized, approved and adopted by the Issuer as the authorized and authentic execution, attestation, countersignature and sealing of the Bonds by said officials on behalf of the Issuer. The Bonds shall then be delivered to the Bond Registrar for registration and manual authentication by it. Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of the Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, this Bond Resolution and that the owner thereof is entitled to the benefits of this Bond Resolution. The certificate of authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (i) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be

necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be authenticated by the same Bond Registrar, and (ii) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

The Mayor and the City Recorder are authorized to execute, countersign, attest and seal from time to time, in the manner described above, Bonds (the “*Exchange Bonds*”) to be issued and delivered for the purpose of effecting transfers and exchanges of Bonds pursuant to Article III hereof. At the time of the execution, countersigning, attestation and sealing of the Exchange Bonds by the Issuer, the payee, principal amount, maturity and interest rate may be in blank. Upon any transfer or exchange of Bonds pursuant to Article III hereof, the Bond Registrar shall cause to be inserted in appropriate Exchange Bonds the appropriate payee, principal amount, maturity and interest rate. The Bond Registrar is hereby authorized and directed to hold the Exchange Bonds and to register, complete, authenticate and deliver the Exchange Bonds for the purpose of effecting transfers and exchanges of Bonds; *provided* that any Exchange Bonds registered, authenticated and delivered by the Bond Registrar shall bear the same series, maturity and interest rate as Bonds delivered to the Bond Registrar for exchange or transfer and shall bear the name of such payee as the Bondowner requesting an exchange or transfer shall designate; and *provided further* that upon the delivery of any Exchange Bonds by the Bond Registrar a like principal amount of Bonds submitted for transfer or exchange, and of like series and having like maturity dates and interest rates, shall be cancelled. The execution, countersignature, attestation and sealing by the Issuer and delivery to the Bond Registrar of any Exchange Bond shall constitute full and due authorization of such Bond containing such payee, principal amount, maturity and interest rate as the Bond Registrar shall cause to be inserted, and the Bond Registrar shall thereby be authorized to register, authenticate and deliver such Exchange Bond in accordance with the provisions hereof.

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

*Section 210. Delivery of the Bonds; Application of Proceeds.* The Bonds shall be delivered to the Underwriter at such time and place as set forth in, and subject to, the provisions of the Bond Purchase Agreement. The City Treasurer is hereby authorized and instructed to make delivery of the Bonds to the Underwriter and to receive payment therefor in accordance with the terms of the Bond Purchase Agreement and to set the proceeds of the sale of the Bonds aside for deposit and use as set forth in the Certificate of Determination.

Any taxes levied or collected to secure the Refunded Bonds shall be applied (a) to pay debt service on the Bonds or (b) otherwise as provided in the Tax Certificate.

*Section 211. Continuing Disclosure Agreement.* The Mayor is hereby authorized, empowered and directed to execute and deliver, and the City Recorder to seal, countersign, and attest, the Continuing Disclosure Agreement in substantially the same form as now before the

City Council of the Issuer and attached hereto as *Exhibit A* or with such changes therein as the Mayor shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Agreement is executed and delivered on behalf of the Issuer as herein provided, the Continuing Disclosure Agreement will be binding on the Issuer and the officers, employees and agents of the Issuer, and the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Agreement as executed. Notwithstanding any other provision of this Bond Resolution, the sole remedies for failure to comply with the Continuing Disclosure Agreement shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Continuing Disclosure Agreement.

*Section 212. Further Authority.* The Mayor, the City Treasurer and the City Recorder and other officers of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments, including the Escrow Agreement, as may be necessary or advisable to provide for the issuance, sale, registration and delivery of the Bonds and to fulfill the obligations of the Issuer hereunder and thereunder.

*Section 213. Establishment of Accounts.* (a) The following accounts on the accounting records of the Issuer are hereby created, which are to be held as follows:

- (i) Bond Account, to be held by the Issuer;
- (ii) Depository Account, to be held by the Paying Agent; and
- (iii) Costs of Issuance Account, to be held by the Issuer.

(b) The Escrow Account is established under the Escrow Agreement and is to be held by the Escrow Agent.

(c) Pending application for the purposes contemplated hereby, moneys on deposit in the Bond Account, Depository Account and Costs of Issuance Account shall be invested as permitted by law in investments approved by the City Treasurer or other authorized officer of the Issuer. Any moneys remaining in the Costs of Issuance Account following the earlier of 60 days after the Closing Date or the date upon which all of the costs of issuance of the Bonds have been paid shall be transferred to the Bond Account and used to pay interest on the Bonds.

(c) The City Treasurer is authorized to approve and direct the payment of the costs of issuance of the Bonds by the Paying Agent and to transfer from the Cost of Issuance Account to the Paying Agent any amounts necessary to pay such costs.

*Section 214. Notice of Bonds to be Issued.* In accordance with the provisions of Section 11-27-4 of the Utah Code, the City Recorder shall cause the “Notice of Bonds to be Issued,” in substantially the form attached hereto as *Exhibit D*, to be published one time in *The*



*Salt Lake Tribune* and the *Deseret News*, each newspapers of general circulation in the Issuer, and shall cause a copy of this Bond Resolution (together with all exhibits hereto) to be kept on file in her office for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof.

For a period of thirty (30) days from and after publication of the Notice of Bonds to be Issued, any person in interest shall have the right to contest the legality of this Bond Resolution or the Bonds hereby authorized or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Bond Resolution or the Bonds or any provisions made for the security and payment of the Bonds for any cause.

*Section 215. Provision for Refunding the Refunded Bonds.* It is hereby found and determined that, pursuant to the Escrow Agreement and this Bond Resolution, moneys and governmental obligations permitted under the Act, the principal of and the interest on which, when due, will provide moneys that will be sufficient to pay, when due, pursuant to call for redemption, the redemption price of and interest due and to become due on, the Refunded Bonds, will be deposited with the Escrow Agent and provision thereby made for the refunding of the Refunded Bonds. The City Treasurer is hereby authorized to transfer from the Bond Account for the Series 2004A Bonds an amount not to exceed the amount of interest that will be due on the Series 2004A Bonds on June 15, 2013.

*Section 216. Authorization of Escrow Agreement.* The Escrow Agreement, in substantially the form set forth as *Exhibit F* hereto, with such insertions, changes and additions as shall be made with the approval of the Mayor, his execution thereof to constitute conclusive evidence of such approval, is hereby in all respects authorized and approved. The Mayor, on behalf of the Issuer, shall enter into the Escrow Agreement with the Escrow Agent establishing the Escrow Account from which redemption price of, and interest on, the Refunded Bonds shall be paid when due. After all the Refunded Bonds shall have become due and payable pursuant to call for redemption, any investments remaining in the Escrow Account shall be liquidated, and any proceeds of liquidation over and above the amount necessary to be retained for the payment of any Refunded Bonds not yet presented for payment, including interest due and payable, shall be paid over to the Issuer to be used for any lawful purpose. The Mayor is hereby authorized and directed to execute and deliver, and the City Recorder to seal, countersign and attest, the Escrow Agreement.

*Section 217. Authorization of Redemption Prior to Maturity of Refunded Bonds.* The Refunded Bonds are hereby irrevocably called for redemption on June 15, 2014, at the redemption price of one hundred percent (100%) of the principal amount of each such Series 2004A Bond so called for redemption plus accrued interest thereon to the date fixed for redemption. Notice of such redemption shall be given as provided in the resolution authorizing the Series 2004A Bonds.

### ARTICLE III

#### TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

*Section 301. Transfer of Bonds.* (a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 303 hereof, by the Person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully-registered Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondowner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made (i) after the Record Date with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond.

(c) The Bond Registrar shall not be required to register the transfer of or exchange any Bond selected for redemption, in whole or in part, except the unredeemed portion of Bonds being redeemed in part. Upon surrender of any Bond redeemed in part only, the Issuer shall execute, and the Bond Registrar shall authenticate and deliver to the Bondowner at the expense of the Issuer, a new Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

*Section 302. Exchange of Bonds.* Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully-registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such Bond.

*Section 303. Bond Registration Books.* This Bond Resolution shall constitute a system of registration within the meaning and for all purposes of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code. The Bond Registrar shall keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register or transfer, or cause Bonds to be registered or transferred on those books as herein provided.

*Section 304. List of Bondowners.* The Bond Registrar shall maintain a list of the names and addresses of the owners of all Bonds and upon any transfer shall add the name and address of the new Bondowner and eliminate the name and address of the transferor Bondowner.

*Section 305. Duties of Bond Registrar.* If requested by the Bond Registrar, the Mayor and the City Recorder are authorized to execute the Bond Registrar's standard form of agreement between the Issuer and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder, which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondowners as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds that have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish to the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (f) to furnish upon request to the Issuer at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds; and
- (g) to comply with all applicable provisions of DTC's operational arrangements, as provided in Section 402 hereof.

#### **ARTICLE IV**

##### **BOOK-ENTRY SYSTEM; LIMITED OBLIGATION OF ISSUER; LETTER OF REPRESENTATIONS**

*Section 401. Book-Entry System; Limited Obligation of Issuer.* (a) The Bonds shall be initially issued in the form of a separate, single, certificated, fully-registered Bond for each of the maturities set forth in Section 204 hereof. Upon initial issuance, the ownership of each such

Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. Except as provided in Section 403 hereof, all of the outstanding Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC.

(b) With respect to Bonds registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondowner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Bondowner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to the principal of or premium, if any, or interest on the Bonds. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, for the purpose of giving notices of redemption and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to the respective Bondowners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided in Section 206 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than a Bondowner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Bond Resolution.

(c) Upon delivery by DTC to the Issuer of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions herein with respect to Record Dates, the word "*Cede*" in this Bond Resolution shall refer to such new nominee of DTC; and upon receipt of such a notice the Issuer shall promptly deliver a copy of the same to the Bond Registrar and the Paying Agent.

*Section 402. Letter of Representations.* The Issuer's prior execution and delivery of the Letter of Representations shall not in any way limit the provisions of Section 401 hereof or in any other way impose upon the Issuer any obligation whatsoever with respect to Persons having interests in the Bonds other than the Bondowners, as shown on the registration books kept by the Bond Registrar. In the written acceptance of each Paying Agent and Bond Registrar referred to in Section 206 hereof, such Paying Agent and Bond Registrar, respectively, shall agree to take all action necessary for all of DTC's operational arrangements pertaining to the Paying Agent and Bond Registrar, respectively, to at all times be complied with.

*Section 403. Transfers Outside Book-Entry System.* At the option of the Issuer or upon receipt by the Issuer of written notice from DTC that DTC is unable or unwilling to discharge its responsibilities, and no substitute depository willing to undertake the functions of DTC hereunder can be found that is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC, but may be registered in whatever name or names Bondowners transferring or exchanging Bonds shall designate, in accordance with the provisions of Article III hereof.

*Section 404. Payments to Cede.* Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

## ARTICLE V

### COVENANTS AND UNDERTAKINGS

*Section 501. Covenants of Issuer.* All covenants, statements, representations and agreements contained in the Bonds and all recitals and representations in the Bond Resolution are hereby considered and understood, and it is hereby confirmed that all such covenants, statements, representations and agreements are the covenants, statements, representations and agreements of the Issuer.

*Section 502. Levy of Taxes; Bond Account* The Issuer covenants and agrees that to pay the interest falling due on the Bonds as the same becomes due and also to provide a sinking fund for the payment of the principal of the Bonds at maturity, a direct annual tax sufficient to pay the interest on the Bonds and to pay and retire the same shall be levied on all taxable property in the Issuer in addition to all other taxes. The taxes when collected shall be applied solely for the purpose of the payment of the interest on and principal of the Bonds and for no other purpose whatsoever until the indebtedness so contracted under this Bond Resolution, principal and interest, shall have been fully paid, satisfied and discharged. Nothing herein contained shall be so construed as to prevent the Issuer from applying any other funds that may be in the Issuer's treasury and available for that purpose to the payment of the interest on and principal of the indebtedness contracted under this Bond Resolution as the same become due and mature. The levy or levies herein provided for may thereupon be diminished to that extent. The sums herein provided for to meet the interest on the Bonds and to discharge the principal thereof when due are hereby appropriated for that purpose, and the required amount for each year shall be included by the Issuer in its annual budget and its statement and estimate as certified to the County Council of Salt Lake County, Utah, in each year. Principal or interest falling due at any time when there shall not be available from the proceeds of the levies described in this Section money sufficient for the payment of such principal or interest shall, to the extent of such deficiency, be paid from other funds of the Issuer available for such purpose. Such other funds shall be reimbursed when the proceeds of the levies become available.

The taxes or other funds that are referenced in the foregoing paragraph and that are to be used to pay the principal of or interest on the Bonds shall be deposited into the Bond Account. On or prior to the date preceding each date on which monies are required to be on deposit with the Paying Agent sufficient for the payment of the principal of and interest on the Bonds, but in any event not later than the business day next preceding each such payment date, the Issuer shall transfer from the Bond Account to the Paying Agent for deposit into the Depository Account an amount sufficient to pay principal of and interest on the Bonds on such payment date. On each principal or interest payment date, the Paying Agent shall pay out of the Depository Account the principal of or interest on the Bonds then coming due. Moneys remaining on deposit in the Bond Account immediately after each such payment date, including any investment earnings thereon earned during the period of such deposit, shall be immediately withdrawn from the Bond Account by the Issuer and commingled with the general funds of the Issuer. Moneys remaining on deposit in the Depository Account immediately after each such payment date, including any investment earnings thereon earned during the period of such deposit, shall be immediately withdrawn from the Depository Account by the Paying Agent and paid to the Issuer and commingled with the general funds of the Issuer. The Bond Account and the Depository Account have been established primarily to achieve a proper matching of revenues and debt service on the Bonds. The Bond Account and the Depository Account shall be depleted at least once each year by the Issuer, except for a reasonable carryover amount not to exceed the greater of one year's earnings on the Bond Account or one-twelfth of the annual debt service on the Bonds.

*Section 503. Arbitrage Covenant; Covenant to Maintain Tax-Exemption.* (a) The Mayor, the City Recorder and other appropriate officials of the Issuer are hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations, (ii) the Bonds are not and will not become "private activity bonds" within the meaning of Section 141 of the Code, (iii) all applicable requirements of Section 149 of the Code are and will be met, (iv) the covenants of the Issuer contained in this Section will be complied with and (v) interest on the Bonds is not and will not become includible in gross income of the owners thereof for federal income tax purposes under the Code and applicable Regulations.

(b) The Issuer covenants and certifies to and for the benefit of the owners from time to time of the Bonds that:

(i) it will at all times comply with the provisions of any Tax Certificates;

(ii) it will at all times comply with the rebate requirements contained in Section 148(f) of the Code and the Regulations, including, without limitation, the entering into any necessary rebate calculation agreement to provide for the calculations of amounts required to be rebated to the United States, the keeping of records necessary to enable such calculations to be made, the creation of any rebate fund to provide for the payment of any required rebate and the timely payment to the United States of all amounts, including any applicable penalties and interest, required to be rebated, except to the extent that the Bonds are not subject to such arbitrage rebate requirements;

(iii) no use will be made of the proceeds of the issue and sale of the Bonds, or any funds or accounts of the Issuer that may be deemed to be proceeds of the Bonds, pursuant to Section 148 of the Code and applicable Regulations, which use, if it had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code;

(iv) it will not use or permit the use of any of its facilities or properties in such manner that such use would cause the Bonds to be “private activity bonds” described in Section 141 of the Code;

(v) no bonds or other evidences of indebtedness of the Issuer (other than the Bonds) have been or will be issued, sold or delivered within a period beginning fifteen (15) days prior to the sale of the Bonds and ending fifteen (15) days following the delivery of the Bonds, other than the Bonds;

(vi) it will not take any action that would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Bonds as provided in Section 103 of the Code, nor will it omit to take or cause to be taken in timely manner any action, which omission would cause interest on the Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Bonds as provided in Section 103 of the Code;

(vii) it recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is excludable from gross income of the owners thereof for federal income tax purposes under laws in force at the time the Bonds are initially delivered and the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form without an opinion of Bond Counsel to the effect that such action will not adversely affect the excludability of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes; and

(viii) it acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Issuer may be treated as the “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Pursuant to these covenants, the Issuer obligates itself to comply throughout the term of the issue of the Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.

## **ARTICLE VI**

### **FORM OF BONDS**

*Section 601. Form of Bonds.* Each fully-registered Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required:

[The remainder of the page intentionally left blank.]



[FORM OF BOND]

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

Registered

Registered

UNITED STATES OF AMERICA

STATE OF UTAH

COUNTY OF SALT LAKE

SALT LAKE CITY

GENERAL OBLIGATION REFUNDING BOND, SERIES 2013A

Number R-\_\_\_\_\_

\$\_\_\_\_\_

INTEREST RATE:

MATURITY DATE:

DATED DATE:

\_\_\_\_\_%

June 15, 20\_\_

\_\_\_\_\_, 2013

REGISTERED OWNER:

PRINCIPAL AMOUNT: ----- DOLLARS-----

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Utah (the "Issuer"), a duly organized and existing municipal corporation and a political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the "Principal Amount"), and to pay the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date identified above (the "Dated Date"), or unless, as shown by the records of the hereinafter referred to Bond Registrar, interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the interest rate per annum (calculated on the basis of a year of 360 days consisting of twelve 30-day months)

identified above (the “*Interest Rate*”), payable semiannually on December 15 and June 15 in each year, commencing June 15, 2013, until payment in full of the Principal Amount. This Bond shall bear interest on overdue principal at the Interest Rate. Principal of and premium, if any, on this Bond shall be payable upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association, of Salt Lake City, Utah, as Paying Agent for the Bonds, or at the principal corporate trust office of any successor who is at the time the Paying Agent of the Issuer, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts; and payment of the interest hereon shall be made to the registered owner hereof and shall be paid by check or draft mailed to the person who is the registered owner of record on the Record Date.

This Bond is one of the General Obligation Refunding Bonds, Series 2013A of the Issuer (the “*Bonds*”), limited to the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), dated as of the Dated Date, issued under and by virtue of the Utah Refunding Bonding Act, Chapter 27 of Title 11, Utah Code Annotated 1953, as amended (the “*Utah Code*”), the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code, and the applicable provisions of Title 10 of the Utah Code (collectively, the “*Act*”), and under and pursuant to a resolution of the Issuer adopted on [February 19], 2013 (the “*Bond Resolution*”), for the purpose of providing funds to refund a portion of outstanding general obligation bonds of the Issuer.

U.S. Bank National Association, of Salt Lake City, Utah, is the initial bond registrar and paying agent of the Issuer with respect to the Bonds. This bond registrar and paying agent, together with any successor bond registrar or paying agent, are referred to herein, respectively, as the “*Bond Registrar*” and the “*Paying Agent*.”

The Issuer covenants and is by law required to levy annually a sufficient tax to pay interest on this Bond as it falls due and also to constitute a sinking fund for the payment of the principal hereof as the same falls due.

This Bond is transferable, as provided in the Bond Resolution, only upon the books of the Issuer kept for that purpose at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by such owner’s attorney duly authorized in writing. Such transfer shall be made upon surrender of this Bond, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or such duly authorized attorney and upon the payment of the charges prescribed in the Bond Resolution, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Bond Resolution. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever, and neither the Issuer, the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are issuable solely in the form of registered Bonds in the denomination of \$5,000 or any whole multiple thereof.

The Bonds are not subject to redemption prior to maturity.

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

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions, acts and things required by the Constitution or laws of the State of Utah and by the Act and the Bond Resolution to exist, to have happened or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened and have been performed and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by the Constitution and laws referenced above, and that the full faith and credit of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond according to its terms.

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

IN WITNESS WHEREOF, SALT LAKE CITY, UTAH, has caused this Bond to be signed in its name and on its behalf by its Mayor and countersigned and attested by its City Recorder, and has caused its official seal or a facsimile thereof to be impressed or imprinted hereon, all as of the Dated Date.

SALT LAKE CITY, UTAH

By \_\_\_\_\_  
Mayor

ATTEST AND COUNTERSIGN:

By \_\_\_\_\_  
City Recorder

[SEAL]

APPROVED AS TO FORM:

\_\_\_\_\_  
Senior City Attorney

**[FORM OF BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION]**

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2013A of Salt Lake City, Utah.

U.S. BANK NATIONAL ASSOCIATION, as Bond  
Registrar

By \_\_\_\_\_  
Authorized Officer

Date of registration and authentication: \_\_\_\_\_, 20\_\_.

Bond Registrar and Paying Agent:

U.S. Bank National Association  
Corporate Trust Department  
170 South Main, Suite 200  
Salt Lake City, Utah 84101

[FORM OF ASSIGNMENT]

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

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Transfers to Minors Act of _____ (State)

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

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

Insert Social Security or Other  
Identifying Number of Assignee

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of SALT LAKE CITY, UTAH, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_  
attorney, to register the transfer of said Bond on the books kept for registration thereof, with full  
power of substitution in the premises.

DATED: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

SIGNATURE GUARANTEED:  
\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Bond Registrar, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

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

## ARTICLE VII

### MISCELLANEOUS

*Section 701. Final Official Statement.* The Official Statement of the Issuer is hereby authorized in substantially the form of the Preliminary Official Statement (defined below) presented at this meeting and in the form attached hereto as *Exhibit B*, with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, including the completion thereof with the information established at the time of the sale of the Bonds by the Designated Officers and set forth in the Certificate of Determination. The Mayor shall sign and deliver the Official Statement to the Underwriter for distribution to prospective purchasers of the Bonds and other interested persons. The approval of the Mayor of any such changes, omissions, insertions and revisions shall be conclusively established by the Mayor's execution of the Official Statement.

*Section 702. Preliminary Official Statement Deemed Final.* The use and distribution of the Official Statement in preliminary form (the "*Preliminary Official Statement*"), in substantially the form presented at this meeting and in the form attached hereto as *Exhibit B*, is hereby authorized and approved, with such changes, omissions, insertions and revisions as the Mayor shall deem advisable. The Mayor and the Finance Director are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to deem final the Preliminary Official Statement within the meaning and for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion thereof with the information established at the time of the sale of the Bonds. The Mayor and the Finance Director are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments as may be necessary or advisable to provide for the issuance, sale and delivery of the Bonds, and any actions taken thereby for purposes of deeming the Preliminary Official Statement to be final for purposes of Rule 15c2-12 of the Securities and Exchange Commission are hereby authorized, ratified and confirmed.

*Section 703. Ratification.* All proceedings, resolutions and actions of the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

*Section 704. Severability.* It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Bond Resolution.

*Section 705. Conflict.* All resolutions, orders and regulations or parts thereof heretofore adopted or passed that are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

*Section 706. Captions.* The table of contents and captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

*Section 707. Effective Date.* This Bond Resolution shall take effect immediately.

*(Signature page follows.)*



ADOPTED AND APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2013.

SALT LAKE CITY, UTAH

By \_\_\_\_\_  
Chair, City Council

[SEAL]

ATTEST:

By \_\_\_\_\_  
City Recorder

APPROVED:

By \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

By \_\_\_\_\_  
Senior City Attorney

**EXHIBIT A**

[ATTACH FORM OF CONTINUING DISCLOSURE AGREEMENT]

**EXHIBIT B**

[ATTACH FORM OF PRELIMINARY OFFICIAL STATEMENT]

**EXHIBIT C**

[ATTACH FORM OF CERTIFICATE OF DETERMINATION]

## EXHIBIT D

### NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-27-4, Utah Code Annotated 1953, as amended, that on February 19, 2013, Salt Lake City, Utah (the "*Issuer*"), adopted a resolution (the "*Resolution*") in which it authorized and approved the issuance of its General Obligation Refunding Bonds, Series 2013A (the "*Bonds*"), in the aggregate principal amount of not to exceed Eight Million Dollars, to bear interest at a rate or rates of not to exceed six percent per annum, to mature over a period not to exceed twelve years from their date or dates and to be sold at a discount from par, expressed as a percentage of the principal amount, of not to exceed two percent.

Pursuant to the Resolution, the Bonds are to be issued for the purpose of refunding a portion of the Issuer's outstanding general obligation bonds (the "*Refunded Bonds*"). The principal amount of the Bonds may exceed the principal amount of the Refunded Bonds. The Bonds may be issued in one or more series at one or more times.

A copy of the Resolution is on file in the office of the City Recorder of the City, located in Room 415, City and County Building, 451 South State Street, in Salt Lake City, Utah, where it may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. The Resolution shall be so available for inspection for a period of at least 30 days from and after the date of the publication of this Notice.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of 30 days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the Resolution or the Bonds authorized thereby or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of the Resolution, the Bonds or the provisions for their security or payment for any cause.

DATED this 19th day of February, 2013.

SALT LAKE CITY, UTAH

By \_\_\_\_\_  
City Recorder

[SEAL]

**EXHIBIT E**

[ATTACH FORM OF BOND PURCHASE AGREEMENT]

**EXHIBIT F**

[ATTACH FORM OF ESCROW AGREEMENT]

**APPENDIX B**

**PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT**

FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER PARAGRAPH (b)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

This Continuing Disclosure Agreement (the “*Agreement*”) is executed and delivered by Salt Lake City, Utah (the “*Issuer*”) in connection with the issuance of \$\_\_\_\_\_ General Obligation Refunding Bonds, Series 2013A (the “*Bonds*”). The Bonds are being issued pursuant to a resolution adopted by the City Council of the Issuer on February 19, 2013 (the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

*Section 1. PURPOSE OF THIS AGREEMENT.* This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds.

*Section 2. DEFINITIONS.* The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in *Exhibit I*.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.



“EMMA” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“Reportable Event” means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

“Reportable Events Disclosure” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Utah.

“Undertaking” means the obligations of the Issuer pursuant to Sections 4 and 5.

*Section 3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT.* The CUSIP Numbers of the Bonds are as follows:

JUNE 15 OF THE YEAR	CUSIP NUMBER	JUNE 15 OF THE YEAR	CUSIP NUMBER
------------------------	-----------------	------------------------	-----------------

The Final Official Statement relating to the Bonds is dated \_\_\_\_\_, 2013 (the “Final Official Statement”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

*Section 4. ANNUAL FINANCIAL INFORMATION DISCLOSURE.* Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information

and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

*Section 5. REPORTABLE EVENTS DISCLOSURE.* Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

*Section 6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION.* The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Issuer to provide the information as required by this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

*Section 7. AMENDMENTS; WAIVER.* Notwithstanding any other provision of this Agreement, the Issuer by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) this Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) the amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

*Section 8. TERMINATION OF UNDERTAKING.* The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

*Section 9. DISSEMINATION AGENT.* The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

*Section 10. ADDITIONAL INFORMATION.* Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

*Section 11. BENEFICIARIES.* This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

*Section 12. RECORDKEEPING.* The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

*Section 13. ASSIGNMENT.* The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

*Section 14. GOVERNING LAW.* This Agreement shall be governed by the laws of the State.

*(Signature page follows.)*

DATED as of the day and year first above written.

SALT LAKE CITY, UTAH

By \_\_\_\_\_  
Mayor

Address: 451 South State Street  
Salt Lake City, Utah 84111

ATTEST AND COUNTERSIGN:

By \_\_\_\_\_  
City Recorder

APPROVED AS TO FORM:

By \_\_\_\_\_  
Senior City Attorney

**EXHIBIT I**

**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

“*Annual Financial Information*” means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION	PAGE
DEBT STRUCTURE OF SALT LAKE CITY, UTAH .....	
— Outstanding Debt Issues .....	
— Overlapping General Obligation Debt .....	
— General Obligation Legal Debt Limit and Additional Debt Incurring Capacity	
FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH.....	
— Sources of General Fund Revenues.....	
— Five-Year Financial Summaries .....	
— Taxable and Fair Market Value of Property .....	
— Tax Collection Record.....	
— Some of the Largest Taxpayers in the City .....	

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA, not later than [185] days after the end of each fiscal year of the Issuer, beginning with the fiscal year ended June 30, 2013. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally accepted accounting principles applicable to governmental units in general and Utah cities, in particular. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

## EXHIBIT II

### EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, 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 security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer\*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

NOTE: DO NOT DELETE ANY EVENT, EVEN IF IT IS INAPPLICABLE TO YOUR TRANSACTION.

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2013**

NEW ISSUE — Issued in Book-Entry Form Only

RATINGS: Moody’s “\_\_\_\_\_”  
 Fitch “\_\_\_\_\_”  
 See “BOND RATINGS” herein.

*Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See “TAX EXEMPTION” herein for a more complete discussion.*

\$ \_\_\_\_\_ \*  
**SALT LAKE CITY, UTAH**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2013A**

DATED: Date of Original Issuance and Delivery

DUE: June 15, as shown below

The \$ \_\_\_\_\_ \* General Obligation Refunding Bonds, Series 2013A, dated the date of original issuance and delivery thereof (the “Bonds”), are issuable by Salt Lake City, Utah (the “City”) as fully-registered bonds and, when initially issued, will be in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds.

Principal of and interest on the Bonds (interest payable June 15 and December 15 of each year, commencing June 15, 2013) are payable by U.S. Bank National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See “THE BONDS — Book-Entry System” herein.

The Bonds are not subject to redemption prior to maturity. See “THE BONDS – No Optional Redemption” herein.

*The Bonds will be general obligations of the City payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest.*

**Maturity Schedule\***

Due June 15	Principal Amount	Interest Rate	Yield	CUSIP	Due June 15	Principal Amount	Interest Rate	Yield	CUSIP
	\$	%	%			\$	%	%	
\$ _____ % Term Bond Due June 15, 20__ Yield: ____% CUSIP: _____									

The Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter, subject to the approval of legality by Chapman and Cutler LLP, Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed upon for the City by Edwin P. Rutan, II, City Attorney. Certain legal matters regarding this Official Statement will be passed upon for the City by Chapman and Cutler LLP, Disclosure Counsel. It is expected that the Bonds will be available for delivery, in book-entry form only, through the facilities of DTC on or about March 27, 2013.

*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 \_\_\_\_\_, 2013, and the information contained herein speaks only as of that date.

**KeyBanc Capital Markets Inc.**

\* Preliminary; subject to change.  
 3326691.01.09.doc—8704991/RDB/mo

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.



\$ \_\_\_\_\_ \*

**SALT LAKE CITY, UTAH**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2013A**

Salt Lake City  
City and County Building  
451 South State Street  
Salt Lake City, Utah 84111  
(801) 535-7946

**CITY COUNCIL**

Kyle LaMalfa ..... Council Chair  
Jill Remington Love ..... Council Vice Chair  
Carlton J. Christensen ..... Council Member  
Luke Garrott ..... Council Member  
Charlie Luke ..... Council Member  
Stan Penfold ..... Council Member  
Søren D. Simonsen ..... Council Member

**CITY ADMINISTRATION**

Ralph Becker ..... Mayor  
David Everitt ..... Chief of Staff  
Edwin P. Rutan, II ..... City Attorney  
Cindi Mansell ..... City Recorder  
Daniel A. Mulé ..... City Treasurer

**BOND COUNSEL**

Chapman and Cutler LLP  
201 South Main, Suite 2000  
Salt Lake City, Utah 84111  
(801) 533-0066; (801) 533-9595 (Fax)

**INDEPENDENT AUDITORS**

Hansen, Barnett & Maxwell, P.C.  
5 Triad Center, Suite 750  
Salt Lake City, Utah 84180  
(801) 532-2200; (801) 532-7944 (Fax)

**FINANCIAL ADVISOR**

Lewis Young Robertson & Burningham, Inc.  
41 North Rio Grande  
Suite 101  
Salt Lake City, Utah 84101  
(801) 596-0700; (801) 596-2800 (Fax)

**BOND REGISTRAR AND PAYING AGENT**

U.S. Bank National Association  
170 South Main  
Suite 200  
Salt Lake City, Utah 84111  
(801) 534-6083; (801) 534-6208 (Fax)

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\* Preliminary; subject to change.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by either the City or the Underwriter. All information contained herein has been obtained from the City, DTC and from other sources which 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 the issuance, sale, delivery or exchange of the Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the City or in any other information contained herein since the date hereof.

The Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Any registration or qualification of the Bonds in accordance with applicable provisions of the securities laws of the states in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is unlawful.

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

***The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, their 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.***

*Cautionary Statements Regarding Forward-Looking Statements.* Certain statements included in this Official Statement constitute "forward-looking statements" within the meaning of the federal securities laws. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by its Continuing Disclosure Agreement for the Bonds, the City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events, conditions or circumstances on which such statements are based occur.

The information available at the internet sites referenced in this Official Statement has not been reviewed for accuracy or completeness. Such information is not incorporated by reference into this Official Statement and may not be relied upon by investors in determining whether to purchase the Bonds and is not a part of this Official Statement.

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\$ \_\_\_\_\_\*  
**SALT LAKE CITY, UTAH**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2013A**

**INTRODUCTION**

This introduction is only a brief description of the Bonds, as hereinafter defined, the security and source of payment for the Bonds and certain information regarding Salt Lake City, Utah (the “City”). The information contained herein is expressly qualified by reference to the entire Official Statement. Investors should make a full review of the entire Official Statement.

See the following appendices that are attached hereto: “APPENDIX A — SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012;” “APPENDIX B — FORM OF CONTINUING DISCLOSURE AGREEMENT” and “APPENDIX C — PROPOSED FORM OF OPINION OF BOND COUNSEL.”

THE BONDS

This Official Statement, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the City of its \$ \_\_\_\_\_\* General Obligation Refunding Bonds, Series 2013A, dated the date of original issuance and delivery thereof (the “Bonds” or “Bond”), initially issued in book-entry form only.

THE CITY

The City is a municipal corporation and political subdivision of the State of Utah (the “State”) and is the capital of the State. The City is the most populous city in the State with an estimated 2011 population of approximately 189,900 residents. The City is governed by the City Council, which is comprised of seven members. For more information with respect to the City see “SALT LAKE CITY, UTAH” for additional information.

SECURITY AND SOURCE OF PAYMENT

The Bonds will be general obligations of the City, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest. See “THE BONDS — Security and Sources of Payment” and “FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Tax Levy and Collection.”

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\* Preliminary; subject to change.

## AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to (a) the Utah Refunding Bond Act, Chapter 27 of Title 11 (the “*Utah Refunding Bond Act*”) of the Utah Code Annotated 1953, as amended (the “*Utah Code*”), and the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code (collectively referred to herein as the “*Act*”), (b) a resolution of the City adopted [February 19], 2013 (the “*Resolution*”) and (c) other applicable provisions of law.

## PLAN OF REFUNDING

The City has previously issued, among others, its \$11,300,000 General Obligation Bonds, Series 2004A, dated April 22, 2004, currently outstanding in the aggregate principal amount of \$7,680,000 (the “*Series 2004A Bonds*”).

Proceeds from the Bonds in the aggregate amount of \$\_\_\_\_\_, together with \$\_\_\_\_\_ of legally available funds of the City, will be deposited with U.S. Bank National Association (the “*Escrow Agent*”), pursuant to an Escrow Agreement dated as of \_\_\_\_\_ 1, 2013, to establish an irrevocable trust escrow account (the “*Escrow Account*”), consisting of [cash and noncallable direct full faith and credit obligations of the United States of America]. Funds in the Escrow Account will be used to refund the callable outstanding Series 2004A Bonds, as described below.

Amounts in the Escrow Account will be used to refund the Series 2004A Bonds maturing on and after June 15, 2015 (the “*Refunded Bonds*”). The Refunded Bonds will be called for redemption on June 15, 2014 (the “*Redemption Date*”), at a redemption price of one hundred percent (100%) of the principal amount thereof plus accrued interest thereon. The Refunded Bonds are scheduled to mature in the amounts and on the dates, and bear interest, as follows:

SCHEDULED MATURITY JUNE 15	PRINCIPAL AMOUNT	INTEREST RATE
2015	\$550,000	4.000%
2016	570,000	4.000
2017	590,000	4.125
2018	615,000	4.200
2019	640,000	4.300
2020	665,000	4.400
2021	700,000	4.500
2022	730,000	4.600
2023	770,000	4.625
2024*	805,000	4.700

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\* Final maturity

The cash and investments, if any, held in the Escrow Account will bear interest and mature in amounts sufficient to pay (a) the interest falling due on the Refunded Bonds through

the Redemption Date and (b) the redemption price of the Refunded Bonds on the Redemption Date. See “THE BONDS—Sources and Uses of Funds.”

#### NO OPTIONAL REDEMPTION

The Bonds are not subject to redemption prior to maturity. See “THE BONDS—No Optional Redemption” herein.

#### REGISTRATION, DENOMINATIONS AND MANNER OF PAYMENT

The 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 (“DTC”), which will act as securities depository of the Bonds. Purchases of Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the 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 Bonds.

Principal of and interest on the Bonds (interest payable June 15 and December 15 of each year, commencing June 15, 2013) are payable by U.S. Bank National Association, Salt Lake City, Utah, as Paying Agent (the “Paying Agent”), to the registered owners of the Bonds. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Bonds, as described in “THE BONDS — Book-Entry System.”

#### TAX-EXEMPT STATUS

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See “TAX EXEMPTION” for a more complete discussion.

#### CONDITIONS OF DELIVERY, ANTICIPATED DATE, MANNER AND PLACE OF DELIVERY

The Bonds are offered, subject to prior sale, when, as and if issued and received by KeyBanc Capital Markets Inc. (the “Underwriter”), subject to the approval of legality of the Bonds by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters regarding this Official Statement will be passed upon for the City by Chapman and Cutler LLP, Disclosure

Counsel. It is expected that the Bonds, in book-entry form only, will be available for delivery through the facilities of DTC on or about [Wednesday, March 27, 2013].

#### BASIC DOCUMENTATION

The “basic documentation,” which includes the Resolution, the closing documents and other documentation authorizing the issuance of the Bonds and establishing the rights and responsibilities of the City and other parties to the transaction, may be obtained from the “contact persons” listed below.

#### CONTACT PERSONS

As of the date of this Official Statement, the chief contact person for the City concerning the Bonds is:

Daniel A. Mulé, City Treasurer  
451 South State Street, Room 228  
P.O. Box 145462  
Salt Lake City, Utah 84114-5462  
Telephone: (801) 535-6411; Fax: (801) 535-6082  
E-Mail: daniel.mule@slcgov.com

#### **THE BONDS**

##### GENERAL

The Bonds will be dated the date of original issuance and delivery thereof and will mature on June 15 of the years and in the amounts as set forth on the cover page of this Official Statement.

The Bonds will bear interest from their date at the rates set forth on the cover page of this Official Statement. Interest on the Bonds is payable semiannually on each June 15 and December 15, commencing June 15, 2013. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. U.S. Bank National Association, Salt Lake City, Utah, is the Bond Registrar for the Bonds under the Resolutions (the “*Bond Registrar*”).

The Bonds will be issued as fully-registered bonds, initially in book-entry form only, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The Bonds are being issued within the constitutional debt limit imposed on the City. See “DEBT STRUCTURE OF SALT LAKE CITY, UTAH — General Obligation Legal Debt Limit and Additional Debt Incurring Capacity.”



## SOURCES AND USES OF FUNDS

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

### SOURCES:

Par amount of Bonds	\$
Issuer Funds	
Original issue premium <sup>(1)</sup>	_____
TOTAL	\$_____

### USES:

Deposit to Escrow Account	\$
Costs of issuance <sup>(2)</sup>	_____
TOTAL	\$_____

(1) Net of original issue discount.

(2) Includes Underwriters' discount, Financial Advisor fees, legal fees, rating agency fees, registrar and paying agent fees, printing and other miscellaneous costs of issuance.

## SECURITY AND SOURCES OF PAYMENT

The Bonds will be general obligations of the City, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest. See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Property Tax Matters."

## NO OPTIONAL REDEMPTION

The Bonds are not subject to redemption prior to maturity.

## REGISTRATION AND TRANSFER

In the event the book-entry system is discontinued, any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully-registered Bond or Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the City, for a like aggregate principal amount.

Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully-registered Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the Bonds.

The Bond Registrar will not be required to transfer or exchange any Bond (a) after the Record Date, as defined below, with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such Bond. “*Record Date*” means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any Bond, such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will not be less than 15 calendar days before the mailing of such notice of redemption.

The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

#### BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The 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 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 a Standard & Poor’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](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 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 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 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 the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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 the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

As long as the book-entry system is in effect, redemption proceeds, principal and interest payments on the 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 detailed information from the City 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 nor its nominee, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal 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 City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.*

DEBT SERVICE REQUIREMENTS

The following table shows the debt service requirements for the Bonds for each fiscal year:

FISCAL YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	FISCAL YEAR TOTAL
	\$	\$	\$
TOTAL:	\$ _____	\$ _____	\$ _____

**SALT LAKE CITY, UTAH**

CITY OFFICIALS

The City has a Council-Mayor form of government. The City Council consists of seven members, who are elected by voters within seven geographic districts of approximately equal population. The Mayor is elected at large by the voters of the City and is charged with the executive and administrative duties of the government.

The seven-member, part-time City Council is charged with the responsibility of performing the legislative functions of the City. The City Council performs three primary functions: it passes laws for the City, adopts the City budget and provides administrative oversight by conducting management and operational audits of City departments.

Term information concerning the Mayor and the members of the City Council is set forth below:

<u>OFFICE</u>	<u>DISTRICT</u>	<u>PERSON</u>	<u>YEARS IN SERVICE</u>	<u>EXPIRATION OF CURRENT TERM</u>
Mayor	—	Ralph Becker	5	January 2016
Council Chair	#2	Kyle LaMalfa	1	January 2016
Council Vice Chair	#5	Jill Remington Love	11	January 2014
Council Member	#7	Søren D. Simonsen	7	January 2014
Council Member	#6	Charlie Luke	1	January 2016
Council Member	#1	Carlton J. Christensen	15	January 2014
Council Member	#4	Luke Garrott	5	January 2016
Council Member	#3	Stan Penfold	3	January 2014

#### CITY ADMINISTRATION

The offices of Chief of Staff, City Attorney, City Recorder and City Treasurer are appointive offices.

*David Everitt, Chief of Staff*, was appointed to his position by Mayor Ralph Becker on January 7, 2008. He is an experienced educator and program manager. David Everitt received his B.S. degree in Geology from the University of Washington and his Master's degree in Environment and Community from Antioch Seattle University. He co-founded an environmental consulting business ten years ago and has worked throughout the country for the last twelve years as an environmental educator and program supervisor.

*Edwin P. Rutan, II, City Attorney*, was appointed to his position in November 2002. Mr. Rutan received his J.D. degree from Harvard Law School in 1974 and his Bachelor of Arts degree from Columbia University in 1970. Mr. Rutan is admitted to the Utah and New York Bars and has nearly thirty years of wide-ranging legal experience. Prior to being appointed City Attorney, he held a variety of positions at AT&T over eighteen years, most recently as a regional vice president for law and government affairs. Prior to that he was associated with the Debevoise & Plimpton law firm in New York City.

*Cindi Mansell, City Recorder*, was appointed by Mayor Ralph Becker on July 31, 2012. Prior to employment with Salt Lake City, Ms. Mansell worked for various city governments (including Ogden City and Riverdale City) for a total of 24 years. Through the International Institute of Municipal Clerks and in conjunction with the University of Utah, Ms. Mansell completed the Master Municipal Clerk Certificate (MMC) in 2004. In 2005, she received the Certified Records Manager (CRM) designation for professional record managers.

*Daniel A. Mulé, City Treasurer*, was appointed to his position in June 1993. From April 1986 until his current appointment, Mr. Mulé was Deputy Treasurer for the City; and from April 1980 until April 1986 he served as Senior Auditor of Reporting for the City. Mr. Mulé holds an

M.B.A. in Finance from the Boston College Graduate School of Management, and a B.S. degree in Business Administration from Villanova University.

EMPLOYEE WORKFORCE AND RETIREMENT SYSTEM; POSTEMPLOYMENT BENEFITS

*Employee Workforce and Retirement System.* The City currently employs approximately 2,599 full-time employees and approximately 136 hourly and part-time employees for a total employment of approximately 2,735 employees. The City participates in three cost-sharing multiple-employer public employee retirement systems and one multiple employer agent system which are defined benefit retirement plans covering public employees of the State and employees of participating local governmental entities. The systems are administered under the direction of the Utah State Retirement Board whose members are appointed by the Governor of Utah. See “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012 – Notes to Financial Statements – Note 6 – Long-term obligations,” “– Note 12 – Pension Plans” and “– Note 14 – Deferred Compensation Plans.”

*Postemployment Benefits.* The Governmental Accounting Standards Board issued Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which became effective for the City for its fiscal year ending June 30, 2008. The City contracted with an actuarial firm to provide the City with its estimated postemployment benefits liability. Such actuarial firm determined that the City’s accrued actuarial liability for its postemployment benefits was \$118,154,000 at July 1, 2011. The other postemployment benefit (“OPEB”) cost and annual required contribution for the year ended June 30, 2012 were \$11,607,000 and \$11,660,000, respectively. The City currently funds its OPEB costs on a pay-as-you-go basis and during the fiscal year ended June 30, 2012 contributed \$2,208,000. During this same period, net OPEB obligations increased from \$21,518,000 to \$30,917,000. For additional information regarding the City’s postemployment benefits see “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012 – Note 13 – Other Postemployment Benefits.”

POPULATION

<u>YEAR</u>	<u>THE CITY</u>	<u>% INCREASE FROM PRIOR PERIOD</u>	<u>SALT LAKE COUNTY</u>	<u>% INCREASE FROM PRIOR PERIOD</u>	<u>THE STATE</u>	<u>% INCREASE FROM PRIOR PERIOD</u>
2011 Estimate	189,899	1.86%	1,048,985	1.88%	2,817,222	1.93%
2010 Census	186,440	2.58	1,029,655	14.61	2,763,885	23.77
2000 Census	181,743	13.63	898,387	23.75	2,233,169	29.62
1990 Census	159,936	(1.90)	725,956	17.27	1,722,850	17.92
1980 Census	163,034	(7.31)	619,066	34.99	1,461,037	37.93
1970 Census	175,885	(7.16)	458,607	19.73	1,059,273	18.94

(Source: U.S. Census Bureau.)

PROPERTY VALUE OF PRE-AUTHORIZED CONSTRUCTION IN THE CITY

Year	NEW		ADDITIONS, ALTERATIONS AND REPAIRS		TOTAL CONSTRUCTION		% Change from Prior Period
	Number Dwelling Units	Residential Value (\$000)	Non- residential Value (\$000)	Residential Value (\$000)	Non- residential Value (\$000)	Value (\$000)	
2012	182	\$ 55,374.0	\$178,202.4	\$14,722.1	\$ 84,843.4	\$333,114.9	(1.8)%
2011	210	21,930.6	175,700.6	13,721.7	127,986.5	339,339.4	18.6
2010	111	14,730.9	104,795.6	29,036.9	137,507.9	286,071.3	(13.3)
2009	262	124,939.6	80,912.1	46,348.2	77,628.1	329,828.0	(43.2)
2008	508	156,110.9	289,111.1	29,438.6	105,808.0	580,468.6	13.0

(Source: Bureau of Economic and Business Research, University of Utah.)

SALES AND BUILDING IN SALT LAKE COUNTY

<u>SALES AND BUILDING</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Gross Taxable Sales (\$000s)	\$19,879.6	\$18,798.7	\$18,284.2	\$20,477.9	\$21,634.3
Permit Authorized Construction (\$000)	NA	1,070,588	1,545,119	1,656,131	2,153,638
New Residential Building Permits	4,810	4,942	9,172	7,110	9,024
Residential Building Permits Value (\$000)	956.8	848.6	1,299.0	1,177.0	1,640.1

(Source: Utah Department of Workforce Services.)

INCOME AND WAGES IN SALT LAKE COUNTY

<u>INCOME AND WAGES</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Personal Income (\$Millions)	NA	39,084	37,679	39,667	37,818
Per Capita Income	NA	37,827	37,057	39,685	38,443
Median Household Income Estimates	NA	56,664	56,954	59,168	56,378
Average Monthly Nonfarm Wage	3,703	3,623	3,551	3,470	3,406

(Source: Utah Department of Workforce Services.)

BUSINESS AND INDUSTRY

TAXABLE SALES AND LOCAL OPTION SALES TAX ALLOCATION — THE CITY  
{Information has been requested from the Utah Tax Commission.}

<u>YEAR ENDED JUNE 30</u>	<u>GROSS TAXABLE SALES</u>	<u>% CHANGE OVER PRIOR YEAR</u>	<u>NET LOCAL SALES TAX ALLOCATIONS</u>	<u>% CHANGE OVER PRIOR YEAR</u>
2012				
2011				
2010	5,303,940,338	5.73	46,741,000	(5.25)
2009	5,016,400,278	(9.04)	49,332,000	6.32
2008	5,515,186,562	8.34	46,400,880	2.96

(Source: Utah State Tax Commission.)



## SEVERAL OF THE LARGEST EMPLOYERS IN SALT LAKE COUNTY

The following is a list of some of the largest employers in Salt Lake County.

FIRM NAME	INDUSTRY	APPROXIMATE NUMBER OF EMPLOYEES
University of Utah	Higher Education	20,000+
Intermountain Health Care, Inc.	Health Care	15,000-19,999
State of Utah	State Government	10,000-14,999
Granite School District	Public Education	7,000-9,999
Jordan School District	Public Education	5,000-6,999
Salt Lake County	Local Government	5,000-6,999
Wal-Mart Associates, Inc.	Warehouse Clubs & Supercenters	4,000-4,999
L3 Communications	Communications Equipment Mfg.	4,000-4,999
Salt Lake City School District	Public Education	4,000-4,999
The Canyons School District	Public Education	3,000-3,999
Delta Air Lines, Inc.	Air Transportation	3,000-3,999
Zions Bank	Banking	3,000-3,999
Kroger Group Cooperative Inc.	Grocery Store	3,000-3,999
Salt Lake City	Local Government	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
Discover	Consumer Lending	2,000-2,999
U.S. Postal Service	Federal Government	3,000-3,999
VA Medical Center	Health Care/Federal Government	2,000-2,999
ARUP Laboratories	Medical Laboratory	2,000-2,999
Wells Fargo Bank	Banking	2,000-2,999
Kennecott Utah Copper	Metal Manufacturing/Mining	2,000-2,999
Skywest Airlines	Air Transportation	2,000-2,999
United Parcel Service	Courier & Express Delivery Service	2,000-2,999
JetBlue	Air Transportation	2,000-2,999
Harmon's	Grocery Store	1,000-1,999
Utah Transit Authority	Public Urban Transit	1,000-1,999
Convergys	Telephone Call Center	1,000-1,999
Central Refrigerated Service	Trucking	1,000-1,999
ACS Business Process Solutions	Data Processing Services	1,000-1,999
eBay Inc.	Online Auctions Retail	1,000-1,999
CR England	Trucking	1,000-1,999
Fidelity Brokerage Services	Financial Services	1,000-1,999
St. Marks Hospital	Health Care	1,000-1,999
Verizon Wireless	Telecommunications	1,000-1,999
Merit Medical Systems	Surgical & Medical Instrument Mfg.	1,000-1,999
The Home Depot	Home Center	1,000-1,999
Little America/Grand America Hotel	Accommodations	1,000-1,999
Goldman Sachs Group Inc et al	Financial Services	1,000-1,999
SOS Temporary Services	Temporary Help Services	1,000-1,999
Jordan Valley Hospital	Health Care	1,000-1,999
Sizzler	Full-Service Restaurant	1,000-1,999
Overstock.com	Electronic Shipping	1,000-1,999
Qwest Corporation	Telecommunications	1,000-1,999
Costco	Warehouse Clubs & Supercenters	1,000-1,999
Comcast Cable Holdings LLC	Cable Company	1,000-1,999

FIRM NAME	INDUSTRY	APPROXIMATE NUMBER OF EMPLOYEES
Teleperformance USA	Telephone Call Center	1,000-1,999
Target Corporation	Retail	1,000-1,999
PacifiCorp	Electric Utility	1,000-1,999
Construction Plus	Construction	1,000-1,999
Becton Dickinson and Co.	Medical Supplies and Devices	1,000-1,999
Amex Card Services Company	Credit Cards	1,000-1,999
Sorenson Communications, Inc.	Furniture Store	1,000-1,999

(Source: Utah Department of Workforce Services. As of January 2013.)

#### LABOR MARKET DATA OF SALT LAKE COUNTY

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Labor Force	546,055	555,070	560,427	561,383	548,247
Employed	510,310	511,799	519,188	542,813	533,530
Unemployed	35,745	43,272	41,239	18,570	14,717
Rate	6.5%	7.8%	7.4%	3.3%	2.0%
Nonfarm Jobs	583,195	571,215	573,449	602,927	601,224
% Change Prior Year	2.1%	-0.4%	-4.9%	0.3%	3.7%
Mining	3,221	2,628	2,527	2,908	2,450
Construction	29,510	29,743	31,300	38,514	42,492
Manufacturing	51,177	50,233	50,360	55,323	55,775
Trade/Transportation/Utilities	118,401	116,462	118,097	125,980	125,060
Information	16,250	16,291	16,545	17,214	18,468
Financial Activities	46,141	45,303	47,501	49,436	49,816
Professional/Business Services	95,528	91,270	89,632	96,990	96,685
Education/Health/Social Services	66,443	65,241	63,454	61,098	57,845
Leisure/Hospitality	47,335	46,607	46,847	48,521	47,911
Other Services	17,890	17,766	18,050	18,884	18,734
Government	91,237	89,623	89,136	88,059	85,988

(Source: Utah Department of Workforce Services.)

#### RATE OF UNEMPLOYMENT — ANNUAL AVERAGE

<u>YEAR</u>	<u>SALT LAKE COUNTY</u>	<u>THE STATE</u>	<u>UNITED STATES</u>
2012	5.4%	5.1%	8.1%
2011	6.5	6.7	8.9
2010	7.8	8.0	9.6
2009	7.4	7.6	9.3
2008	3.3	3.5	5.8

(Source: Utah Department of Workforce Services; U.S. Department of Labor.)

## DEBT STRUCTURE OF SALT LAKE CITY, UTAH

*For purposes of the information set forth under this section under the headings entitled “Outstanding Debt Issues,” “Debt Service Schedule of Outstanding General Obligation Bonds,” “Overlapping General Obligation Debt,” “Debt Ratios,” and “General Obligation Legal Debt Limit and Additional Debt Incurring Capacity,” the Bonds are considered issued and outstanding.*

### OUTSTANDING DEBT ISSUES (EXPECTED AS OF CLOSING DATE OF THE BONDS) <sup>(1)</sup>

	AMOUNT OF ORIGINAL ISSUE	FINAL MATURITY DATE	PRINCIPAL OUTSTANDING
<b>General Obligation Bonds:</b>			
Series 1999 (Library Bonds)	\$ 81,000,000	6/15/2019	\$ 200,000
Series 2002 Building and Refunding (Refund portion of Series 1999)	48,855,000	6/15/2019	26,035,000
Series 2004A (Hogle Zoo & Tracy Aviary)	11,300,000	6/15/2014 <sup>(2)</sup>	1,045,000
Series 2009A (Open Space)	800,000	12/15/2018	535,000
Series 2009B (The Leonardo)	10,200,000	6/15/2029	9,065,000
Series 2010A (Public Safety Facilities) <sup>(3)</sup>	25,000,000	6/15/2030	23,265,000
Series 2010B (Public Safety Facilities)	100,000,000	6/15/2031	91,775,000
Series 2011 (Open Space)	1,580,000	6/15/2021	1,415,000
Series 2012A (Refunded a portion of Series 2002)	10,635,000	6/15/2019	10,635,000
Series 2013 (Refunded a portion of Series 2004A)	_____	6/15/2024	_____
Total			\$ _____
<b>Redevelopment Agency Debt:</b>			
Series 1990 Tax Increment (CAB)	\$24,268,000	3/1/2015	\$ 14,770,000
Series 2012 Junior Lien Tax Increment Refunding (Refunded 2002A Tax Increment)	3,740,000	3/1/2015	<u>2,505,000</u>
Total			\$17,275,000
<b>Water and Sewer Revenue Bonds:</b>			
Series 2004	\$30,955,000	2/1/2024	\$ 1,450,000
Series 2005 Improvement and Refunding Bonds	11,075,000	2/1/2025	4,810,000
Series 2008 Improvement and Refunding Bonds	14,800,000	2/1/2024	11,065,000
Series 2009 (Taxable)	6,300,000	2/1/2031	5,670,000
Series 2010	12,000,000	2/1/2031	10,655,000
Series 2011	8,000,000	2/1/2027	7,035,000
Series 2011	23,565,000	2/1/2027	<u>26,145,000</u>
Total			\$66,830,000
<b>Special Improvement District and Assessment Area Bonds:</b>			
Series 2006 106024	\$ 472,000	2/1/2016	\$ 163,000
Series 2006 102004	294,000	6/1/2016	133,000
Series 2007 106018	376,000	6/1/2017	208,000
Series 2007 102109 & 102129	129,000	6/1/2017	71,000
Series 2008A 102119	246,000	6/1/2013	53,000
Series 2009A 102136	380,000	6/1/2013	81,000
Series 2009B 103006	1,263,000	9/1/2019	934,000
Series 2009C 102145 & 102146	396,000	9/1/2019	<u>275,000</u>
Total			\$1,918,000
<b>Sales and Excise Tax Revenue Bonds:</b>			
Series 2004 Refunding (Adjustable Rate)	\$17,300,000	6/1/2015	\$ 4,480,000
Series 2005A Refunding	47,355,000	10/1/2020	36,300,000
Series 2007A	8,590,000	10/1/2026	6,290,000
Series 2009A	36,240,000	10/1/2028	31,435,000
Series 2012A	15,855,000	10/1/2032	<u>15,260,000</u>
Total			\$93,765,000
<b>Subordinate Excise Tax Revenue Notes:</b>			
Series 2012 Notes <sup>(4)</sup>	\$15,000,000	3/1/2015	\$15,000,000
<b>Tax and Revenue Anticipation Notes:</b>			
Series 2012	\$19,000,000	6/30/2013	\$19,000,000

- (1) The Redevelopment Agency of Salt Lake City, a separate entity, has issued bonds, but such bonds are not obligations of the City and are therefore not included in this table. See “APPENDIX A—SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012—Notes to the Financial Statements—Note 6—Long-Term Obligations.”
- (2) After giving effect to the refunding of the Refunded Bonds.
- (3) The Series 2010A Bonds maturing 2011 through 2016 are tax-exempt and the Series 2010A Bonds maturing 2017 through 2030 are federally taxable—direct pay—Build America Bonds.
- (4) The Series 2012 Notes are secured by a subordinate pledge of the Revenues.

DEBT SERVICE SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS  
(As of \_\_\_\_\_ 1, 2013)<sup>(1)</sup>

Fiscal Year Ending June 30	The Bonds		Outstanding General Obligation Bonds		Totals		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
	\$	\$	\$	\$	\$	\$	\$
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

(1) For purposes of this schedule, the Bonds will be treated as issued and outstanding.

OTHER FINANCIAL CONSIDERATIONS

See “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012 – Notes to the Financial Statements – Note 6-Long-Term Obligations.”

In a November 2003 bond election the voters of the City approved the issuance of \$42.2 million aggregate principal amount of general obligation bonds for various purposes. The City has issued approximately 23.9 million of general obligation bonds from such authorization. During this calendar year the City plans to issue the remaining amount of authorized and unissued general obligation bonds.

In the next year, the City has a number of capital projects that it may finance through the issuance of bonds. In particular, the City is progressing with plans for a new performing arts center, which is currently estimated to cost approximately \$110 million, a portion of which may

be paid using the City's sales tax revenue bonds. Except as describe in the preceding paragraph, none of the proposed projects will be financed with general obligation bonds.

The City currently has no plans to issue additional assessment area bonds within the next calendar year.

The City plans to launch a terminal redevelopment program at the Salt Lake City International Airport. The \$1.8 billion project will be phased in over 8 to 10 years and will create a single terminal, concourses, parking and support facilities. The program is expected to address seismic risk, provide right-sized facilities, solve operations issues, improve customer service and will accommodate growth, while maintaining the Airport's competitive cost.

The City has historically issued tax and revenue notes each year, including its \$19,000,000 Tax and Revenue Notes, Series 2012, which mature on June 30, 2013. The City anticipates that it will issue approximately the same amount of tax and revenue notes this summer.

#### OVERLAPPING GENERAL OBLIGATION DEBT

<u>TAXING ENTITY</u> <sup>(1)</sup>	<u>2011 TAXABLE VALUE</u> <sup>(2)</sup>	<u>CITY'S PORTION OF TAXABLE VALUE</u>	<u>CITY'S PERCENTAGE</u>	<u>ENTITY'S GENERAL OBLIGATION DEBT</u>	<u>CITY'S PORTION OF G.O. DEBT</u>
CUWCD(3) .....	\$112,869,580,513	\$18,224,321,911	16.1%	\$275,060,000	\$ 44,412,161
Salt Lake City School District .....	18,222,315,581	18,222,315,381	100.0%	107,280,722	107,280,721
Salt Lake County .....	74,075,699,006	18,224,321,911	24.6%	255,420,000	<u>62,839,182</u>
Total Overlapping General Obligation Debt .....					<u>\$214,532,063</u>
Total Direct General Obligation Bonded Indebtedness .....					\$ _____
Total Direct and Overlapping General Obligation Debt .....					\$ _____

(1) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

(2) 2012 information is not available. Taxable Value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property. See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Property Tax Matters — *Uniform Fees*" and "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Taxable and Fair Market Value of Property."

(3) Central Utah Water Conservancy District ("*CUWCD*") encompasses all or a portion of ten State counties, including, among others, Salt Lake County. CUWCD's outstanding general obligation bonds are limited ad valorem tax bonds. By law, CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding general obligation indebtedness.  
(Source: Property Tax Division, Utah State Tax Commission (as to Taxable Value).)

#### DEBT RATIOS

The following table sets forth the ratios of general obligation debt of the City and the taxing entities listed in the table above entitled "Overlapping General Obligation Debt" that is expected to be paid from taxes levied specifically for such debt (and not from other revenues) on the taxable value of property within Salt Lake City, the estimated fair market value of such property and the population of the City. The State's general obligation debt is not included in the

debt ratios because the State currently levies no property tax for payment of general obligation debt.

	COMPARED TO 2011 TAXABLE VALUE <sup>(1)</sup>	COMPARED TO 2011 ESTIMATED FAIR MARKET VALUE <sup>(2)</sup>	COMPARED TO 2011 POPULATION ESTIMATE PER CAPITA <sup>(3)</sup>
Direct General Obligation Debt .....	%	%	\$
Direct and Overlapping General Obligation Debt .....	%	%	\$

- (1) Based on 2011 Taxable Value of \$18,224,321,911, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.  
 (2) Based on an estimated 2011 Fair Market Value of \$24,169,941,822, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.  
 (3) Based on a 2012 population estimate of 189,900 persons.

See “FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Property Tax Matters — *Uniform Fees*” and “FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Taxable and Fair Market Value of Property.”

#### GENERAL OBLIGATION LEGAL DEBT LIMIT AND ADDITIONAL DEBT INCURRING CAPACITY

The general obligation indebtedness of the City is limited by State law to 8% of taxable property in the City (4% for general purposes and an additional 4% for sewer, water and electric purposes\*) as computed from the last equalized assessment rolls for State or County purposes prior to incurring the debt. The legal debt limit and additional debt incurring capacity of the City are based on the estimated fair market value for 2011 and are calculated as follows:

Estimated 2011 Fair Market Value <sup>(1)</sup> .....	<u>\$24,450,182,039</u>		
LEGAL DEBT MARGIN	GENERAL PURPOSES 4%	WATER, SEWER, AND LIGHTING 4%	TOTAL 8%
General Obligation Debt Limit	\$978,007,282	\$978,007,282	\$1,956,014,564
Less: Outstanding General Obligation Bonds	<u>                    </u>	<u>                    </u>	<u>                    </u>
Legal Debt Margin	<u>\$                    </u>	<u>\$                    </u>	<u>\$                    </u>

\* The full 8% may be used for water, sewer and electric purposes but if it is so used, then no general obligation bonds may be issued in excess of 8% for any purpose.

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the City, the fair market value of all tax equivalent property (which value *includes* the taxable value used to determine uniform fees on tangible personal property) has been included as a part of the fair market value of the taxable property in the City.

#### NO DEFAULTED OBLIGATIONS

The City has never failed to pay principal of and interest on its financial obligations when due.

## FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH

### FUND STRUCTURE; ACCOUNTING BASIS

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net assets, revenues, and expenditures or expenses. The various funds are grouped by type in the basic financial statements.

Revenues and expenditures are recognized using the modified accrual basis of accounting in all governmental funds. Revenues are recognized in the accounting period in which they become both measurable and available. “Measurable” means that amounts can be reasonably determined within the current period. “Available” means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City uses two months as a cutoff for meeting the available criterion. Property taxes are considered “measurable” when levied and available when collected and held by Salt Lake County. Any amounts not available are recorded as deferred revenue. Franchise taxes are considered “measurable” when collected and held by the utility company, and are recognized as revenue at that time. Other revenues that are determined to be susceptible to accrual include grants-in-aid earned and other intergovernmental revenues, charges for services, interest, assessments, interfund service charges, and proceeds of the sale of property. Assessments are recorded as receivables when assessed; however, they are reported as deferred revenue until the “available” criterion has been met. Sales and use taxes collected by the state and remitted to the City within the “available” time period are recognized as revenue. Revenues collected in advance are deferred and recognized in the period to which they apply.

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

### FINANCIAL CONTROLS

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. State law requires budgets to be controlled by individual departments, but the City also maintains computerized control by major categories within departments. These computerized controls are such that a requisition cannot be entered into the purchasing system unless the appropriated funds are available. The system checks for sufficient funds again, prior to the purchase order being issued, and again before the payment check is issued. Voucher payments are also controlled by the computer for sufficient appropriations.

### BUDGET AND APPROPRIATION PROCESS

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Utah Cities, Title 10, Chapter 6 of the Utah Code (the “*Fiscal Procedures*”).

Act”). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Improvement Fund. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

On or before the first regular meeting of the City Council in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for the Fiscal Year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer may revise the budget request submitted by the heads of City departments, but must file these submissions with the City Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the revenue from nonproperty tax sources available for each fund and the revenue from general property taxes required by each fund. The tentative budget is then provisionally adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearings on the tentative budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

Prior to June 22nd of each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund in excess of the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, in order to increase the budget total of any fund, public notice and hearing must be provided. Intra- and inter-department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act.

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

#### INSURANCE COVERAGE

The City is self-insured for general liability claims, except for liability incurred on premises owned, rented or occupied by the Department of Airports (the “*Airport*”). The Airport carries a general liability insurance policy with a \$500,000,000 limit per year and no deductible. Damages to premises rented to the Airport are subject to a sublimit of \$250,000. The Governmental Immunity Fund (an internal service fund) has been established to pay liability claims other than those at the Airport, along with certain City Attorney litigation expenses.

The City has an all risk property insurance policy that has a limit of \$500,000,000 with a \$100,000 deductible. The Policy includes: (1) earthquake coverage of \$100,000,000 with a deductible of 2% of the value up to a \$5,000,000 maximum, (2) \$100,000,000 in the aggregate in flood coverage for facilities that are located outside the standard report zone with a \$250,000 deductible, but for seven identified properties the deductible is \$500,000, (3) boiler and machine



coverage to policy limit with a \$25,000 deductible, and (4) fine art coverage of \$100,000,000 with a \$25,000 deductible. The City is self insured for property loss above the limits and below the deductibles. The Treasurer is covered under a \$10,000,000 bond with no deductible.

The City also has: (1) public employee dishonesty insurance (an employee “blanket” policy) with a \$100,000 limit per occurrence and a \$50,000 deductible (2) a forgery or alteration policy with a \$25,000 limit and a deductible of \$500 and (3) a money orders and counterfeit currency policy with a \$50,000 limit and no deductible (4) and Crime inside and outside premises policies each with \$25,000 limits and \$2,500 deductibles. The City also has excess workers’ compensation insurance with a \$40,000,000 limit and a \$1,000,000 self-insured retention. The City is self-insured for loss above the limits and below the deductibles. The operating departments of the General Fund or proprietary funds assume financial responsibility for risk retained by the City for property damage. Further, the City is self insured for employee long-term disability and unemployment. The Risk Management Fund (an internal service fund) has been established to pay these claims along with health insurance premiums and certain administrative expenses. During the past three fiscal years, there have been no settlements that exceeded the self-insured retentions.

The Airport is covered by a separate property insurance policy with a maximum policy limit of \$500,000,000 annually and \$100,000 deductible per occurrence. Locations covered include Salt Lake City International Airport, South Valley Regional Airport, and Tooele Valley Airport. Equipment breakdown carries a deductible of \$25,000. Earth movement and flood coverage each carry sublimits of \$150,000,000 with a 2% deductible per unit, subject to a \$100,000 minimum and \$5,000,000 maximum in any one occurrence (defined as a 168-hour period). Windstorm or hail carries a \$100,000 limit per occurrence and a 5% deductible, subject to a minimum of \$250,000 per occurrence. Time Element including Business Interruption, Extra Expense, Rental Value, and Rental Income is covered at \$211,599,602 with a 2% deductible up to a maximum \$5,000,000 per occurrence. Sublimits apply for Debris Removal (\$25,000,000), Valuable Papers and Records (\$25,000,000), Errors and Omissions (\$10,000,000), Limited Pollution Coverage (\$500,000), Names Storm (\$1,000,000), etc.

## INVESTMENT POLICY

*City Policy.* It is the policy of the City to invest public funds in accordance with the principles of sound treasury management and in compliance with State and local laws, regulations, and other policies governing the investment of public funds, specifically, according to the terms and conditions of the State Money Management Act of 1974 and Rules of the State Money Management Council as currently amended (the “*Money Management Act*”), and the City’s own written investment policy. The following investment objectives, in order of priority, are met when investing public funds: safety of principal, need for liquidity, and maximum yield on investments consistent with the first two objectives.

The City may use investment advisers to conduct investment transactions on its behalf as permitted by the Money Management Act and local ordinance or policy. Investment advisers must be certified by the Director of the Utah State Division of Securities of the Department of Commerce (the “*Director*”). Broker/dealers and agents who desire to become certified dealers

must be certified by the Director and meet the requirements of the Money Management Act. Only qualified depositories as certified by Utah's Commissioner of Financial Institutions are eligible to receive and hold deposits of public funds. The State Money Management Council issues a quarterly list of certified investment advisers, certified dealers, and qualified depositories authorized by State statute to conduct transactions with public treasurers. Transactions involving authorized deposits or investments of public funds may be conducted only through issuers of securities authorized by Section 51-7-11(3) of the Utah Code, qualified depositories included in the current State list, and certified dealers included in the current State list. The City Treasurer must take delivery of all investments purchased, including those purchased through a certified investment adviser. This may be accomplished by the City Treasurer taking physical delivery of the security or delivering the security to a bank or trust company designated by the City Treasurer for safekeeping. The City Treasurer may use a qualified depository bank for safekeeping securities or maintain an account with a money center bank for the purpose of settling investment transactions and safekeeping and collecting those investments.

City policy provides that not more than 25% of total City funds or 25% of the qualified depository's allotment, whichever is less, can be invested in any one qualified depository. Not more than 20% of total City funds may be invested in any one certified out-of-state depository institution. However, there is no limitation placed on the amount invested with the Utah Public Treasurer's Investment Fund ("*PTIF*") and other money market mutual funds, provided that the overall standards of investments achieve the City's policy objectives.

All funds pledged or otherwise dedicated to the payment of interest on and principal of bonds or notes issued by the City are invested in accordance with the terms and borrowing instruments applicable to such bonds or notes. City policy also provides that the remaining term to maturity of an investment may not exceed the period of availability of the funds invested. The investment of City funds cannot be of a speculative nature.

The City's entire portfolio is currently in compliance with all of the provisions of the Money Management Act.

*The Utah Public Treasurers' Investment Fund.* The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. Currently, the City has approximately \$657 million on deposit in the PTIF, representing a substantial portion of the City's funds. All investments in the PTIF must comply with the Money Management Act and rules of the State Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the

State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the State Money Management Council and is audited by the State Auditor.

The information in this section concerning the current status of the PTIF has been obtained from sources the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

See “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012 – Notes to the Financial Statements – Note 2 – Cash, Cash Equivalents and Investments” below.

#### PROPERTY TAX MATTERS

The Property Tax Act, Title 59, Chapter 2 of the Utah Code (the “*Property Tax Act*”) provides that all taxable property is required to be assessed and taxed at a uniform and equal rate on the basis 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.” Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the “fair market value” of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the Utah State Tax Commission (the “*State Tax Commission*”) shall 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 resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property (“*locally-assessed property*”) is required to 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 and 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 that the State Tax Commission 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.

*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 of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 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. The uniform fee for motor homes is 1.0%, for aerial applicators is 0.2% and for all other aircraft is 0.4%. Motor vehicles weighing 12,000 pounds or less are subject to an age-based fee that is due each time the vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$5 to \$150, depending on the age of the vehicle. Recreation vehicles (except motor homes), motorcycles, watercraft (except large watercraft), snowmobiles and certain small motor vehicles required to be registered with the State are also subject to an aged-based fee that ranges from \$7.75 to \$700, depending on the age of the vehicle. 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 tax is distributed.

*Property Tax Valuation Agency Fund.* The State Legislature authorizes a multicounty assessing and collecting levy of up to .0002 per dollar of taxable value of taxable property, to fund a Property Tax Valuation Agency Fund (the "PTVAF"). The purpose of the multicounty assessing and collecting 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. Disbursement of money from the PTVAF to each county is based on statutory qualification and requirements. Additionally, each county must levy an additional property tax of at least .0003 per dollar of taxable value as a county assessing and collecting levy in order to receive funds from the PTVAF. If necessary, a county may levy an additional tax to fund (i) state mandated actions and (ii) reappraisal programs.

## TAX LEVY AND COLLECTION

The State Tax Commission must assess all centrally-assessed property by May 1 of each year. County assessors must assess all locally-assessed property before May 22 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 proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate, before June 22. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. 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 levy permitted by law, notify the taxing entity that the rate has been lowered and 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. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally-assessed property, or any county with a showing of reasonable cause, may, on or before the later of June 1 or a day within 30 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. By November 1, each county treasurer furnishes 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 the property is subject to a detailed review.

Taxes are due November 30, or if a Saturday, Sunday or holiday, the next business day. 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 to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10, whichever is greater. Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Markets Committee plus 6% from the January 1 following the delinquency date until paid (provided that said interest may not be less than 7% or more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under "Public Hearing on Certain Tax Increases" below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in "Public Hearing on Certain Tax Increases." In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax in excess of the certified tax rate. A resolution levying a tax in excess of

the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

#### PUBLIC HEARING 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 properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of 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, other adjustments, or changes in the method of apportioning taxable value. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must also advertise the notice of the public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

#### 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 June 30, 2012 fiscal year period:

*General property taxes* – Approximately 32% of general fund revenues are from general property taxes.

*Sales, use and excise taxes* – Approximately 26% of general fund revenues are from sales, use and excise taxes.

*Franchise taxes* – Approximately 15% of general fund revenues are from franchise taxes.

*Licenses and Permits* – Approximately 10% of general fund revenues are from licenses.

*Interfund service charges* – Approximately 5% of general fund revenues are from interfund service charges.

*Fines and forfeitures* – Approximately 3 % of general fund revenues are from fines and forfeitures.

*Intergovernmental* – Approximately 3% of general fund revenues are from other governmental entities.

*Charges for Services* – Approximately 2% of general fund revenues are from charges for services.

*Parking ticket* – Approximately 2% of general fund revenues are from parking tickets.

*Miscellaneous* – Approximately 1% of general fund revenues are from miscellaneous revenues.

*Interest* – Less than 1% of general fund revenues are from interest income.

*Parking meter* – Less than 1% of general fund revenues are from parking meters.

*Contributions* – Less than 1% of general fund revenues are from contributions.

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## FIVE-YEAR FINANCIAL SUMMARIES

The summaries contained herein were extracted from the City's financial statements for the fiscal years ended June 30, 2008 through June 30, 2012. The summaries are unaudited. See also "APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2012."

SALT LAKE CITY CORPORATION, UTAH  
STATEMENT OF NET ASSETS — GOVERNMENTAL ACTIVITIES  
FISCAL YEARS ENDED JUNE 30, 2008 THROUGH 2012  
Unaudited

	FISCAL YEAR ENDED JUNE 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
ASSETS:					
Current assets:					
Cash, and cash equivalents					
Unrestricted .....	\$ 51,521,830	\$ 85,726,621	\$ 105,319,909	\$ 93,964,462	\$ 99,596,352
Restricted .....	161,208,939	136,729,602	45,939,114	45,672,231	7,072,204
Receivables:					
Property, franchise and excise taxes .....	80,616,322	76,531,182	77,687,194	81,901,632	80,636,133
Assessments .....	2,260,400(5)	3,278,935(4)	4,575,746(3)	1,822,336(2)	2,626,041(1)
Loans and other receivables .....	14,420,984	11,210,571	8,129,431	7,838,168	10,024,243
Due from other governments .....	1,850,815	1,344,581	1,627,591	1,712,059	1,166,274
Other, principally accrued interest .....	759,586	776,021	2,136,652	946,565	1,059,462
Prepaid Expenses .....	90,391	49,935	-	-	-
Inventories .....	681,302	673,213	565,195	658,431	942,035
Internal balances .....	<u>1,775,051</u>	<u>1,594,666</u>	<u>1,109,112</u>	<u>841,805</u>	<u>(34,090)</u>
Total current assets .....	<u>315,185,620</u>	<u>317,915,327</u>	<u>247,089,944</u>	<u>235,357,689</u>	<u>203,088,654</u>
Noncurrent assets:					
Property and equipment, at cost:					
Land and water rights .....	182,306,714	180,207,766	180,351,914	179,036,321	175,224,789
Infrastructure .....	284,313,023	282,091,712	261,212,278	249,800,326	239,793,367
Buildings .....	232,610,403	203,411,347	203,592,425	202,981,542	198,800,307
Improvements other than buildings .....	40,146,010	39,752,918	39,186,339	35,491,186	30,773,120
Machinery and equipment .....	91,383,819	84,573,339	91,798,476	86,752,879	85,945,995
Construction in progress .....	104,693,971	74,327,152	49,776,493	20,417,543	14,100,072
Accumulated depreciation .....	<u>(236,148,086)</u>	<u>(224,610,357)</u>	<u>(219,003,647)</u>	<u>(208,457,181)</u>	<u>(199,490,880)</u>
Net property and equipment .....	699,305,854	639,753,697	609,914	566,022,616	545,146,770
Bond issue costs .....	1,104,310(10)	1,208,435(9)	1,252,393(8)	1,225,745(7)	876,962(6)
Pollution remediation receivable	69,417	-	575,275	-	-
Investment in joint venture .....	<u>450,786</u>	<u>360,532</u>	-	-	-
Total noncurrent assets .....	<u>700,860,950</u>	<u>641,392,081</u>	<u>608,741,011</u>	<u>567,248,361</u>	<u>546,023,732</u>
Total assets .....	<u>\$1,016,046,570</u>	<u>\$959,307,408</u>	<u>\$855,831,890</u>	<u>\$802,606,050</u>	<u>\$749,112,386</u>

- (1) Including \$140,984 of delinquent assessments.
- (2) Including \$242,722 of delinquent assessments.
- (3) Including \$242,722 of delinquent assessments.
- (4) Including \$242,722 of delinquent assessments.
- (5) Including \$242,722 of delinquent assessments.
- (6) Less accumulated amortization of \$1,662,231.
- (7) Less accumulated amortization of \$1,752,582.
- (8) Less accumulated amortization of \$1,774,067.
- (9) Less accumulated amortization of \$1,364,557.
- (10) Less accumulated amortization of \$149,072.

(Source: Information is taken from the City's audited financial statements. This summary itself has not been audited.)



SALT LAKE CITY CORPORATION, UTAH  
STATEMENT OF NET ASSETS — GOVERNMENTAL ACTIVITIES  
FISCAL YEARS ENDED JUNE 30, 2008 THROUGH 2012  
(continued)  
Unaudited

	FISCAL YEAR ENDED JUNE 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
LIABILITIES:					
Current liabilities:					
Accounts payable .....	\$ 19,183,927	\$ 24,608,919	\$17,171,008	\$ 8,521,469	\$ 5,419,354
Accrued liabilities .....	12,486,157	10,617,513	10,613,504	10,239,231	10,201,390
Due to other funds for cash overdraft .....	6,132,555	-	-		
Current portion of long-term compensated absences .....	2,241,031	1,525,338	1,912,532	1,838,461	2,119,125
Current portion of estimated claims payable .....	3,611,364	3,611,364	3,156,487	3,261,403	2,125,380
Current portion of long-term debt:					
Payable from unrestricted assets .....	19,989,585	17,257,889	15,887,052	17,209,029	13,807,859
Special assessment debt with governmental commitment .....	559,000	619,000	596,000	434,000	349,000
Deferred revenue .....	-	63,124,670	65,984,055	67,705,511	66,089,635
Unearned revenue .....	65,114,001	2,731,434	3,923,673	218,599	218,599
Other liabilities payable from restricted assets .....	488,029	409,454	360,769	299,567	350,348
Current deposits and advance rentals .....	<u>1,076,864</u>	<u>873,199</u>	<u>521,559</u>	<u>1,120,473</u>	<u>1,706,758</u>
Total current liabilities .....	<u>130,882,513</u>	<u>125,378,980</u>	<u>120,126,639</u>	<u>110,847,743</u>	<u>102,387,448</u>
Noncurrent liabilities:					
Long-term compensation liability .....	15,120,125	15,384,877	16,167,684	15,705,210	20,252,938
Pollution remediation liability .....	-	-	575,275	-	-
Other post employment benefits .....	20,954,000	14,339,000	11,161,000	7,692,000	-
Estimated claims payable .....	1,198,831	4,222,601	4,136,136	4,462,322	4,662,976
Bonds payable .....	252,302,450	254,595,183	175,350,750	160,635,419	126,117,660
Notes payable .....	26,567,678	2,632,068	2,627,867	1,909,982	3,691,996
Notes payable from restricted assets .....	<u>703,259</u>	<u>1,701,723</u>	<u>464,607</u>	<u>430,393</u>	<u>393,133</u>
Total noncurrent liabilities .....	<u>316,846,343</u>	<u>292,875,452</u>	<u>210,483,319</u>	<u>190,835,326</u>	<u>155,118,703</u>
Total liabilities .....	<u>447,728,856</u>	<u>418,254,432</u>	<u>330,609,958</u>	<u>301,683,069</u>	<u>257,506,151</u>
NET ASSETS:					
Invested in capital assets, net of related debt .....	488,881,693	452,645,645	439,430,893	385,403,793	400,787,122
Restricted for:					
Capital projects .....	108,894	108,894	5,734,876	7,201,928	7,201,928
Debt service .....	-	-	636,061	23,633	2,753,670
Unrestricted .....	<u>79,317,127</u>	<u>88,298,437</u>	<u>79,420,102</u>	<u>108,293,627</u>	<u>80,863,515</u>
Total net assets .....	<u>568,317,714</u>	<u>541,052,976</u>	<u>525,221,932</u>	<u>500,922,981</u>	<u>491,606,235</u>
Total liabilities and net assets .	<u>\$1,016,047,570</u>	<u>\$959,307,408</u>	<u>\$855,831,890</u>	<u>\$802,606,050</u>	<u>\$749,112,386</u>

(Source: Information is taken from the City's audited financial statements. This summary itself has not been audited.)

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SALT LAKE CITY CORPORATION, UTAH  
BALANCE SHEET — GOVERNMENTAL FUNDS — GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2008 THROUGH 2012  
Unaudited

ASSETS AND OTHER DEBITS	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assets:					
Cash and cash equivalents	\$ 21,931,749	\$ 23,394,832	\$ 23,967,967	\$ 23,135,486	\$ 27,286,652
Receivables:					
Property, franchise and excise taxes	80,220,923	76,027,526	77,169,851	81,747,405	80,072,093
Loans, prepaids and other receivables	2,742,556	2,450,609	-	-	-
Other, principally accrued interest	277,259	343,948	1,749,000	469,434	565,127
Restricted Assets:					
Cash and cash equivalents	<u>113,801</u>	<u>142,501</u>	<u>198,589</u>	<u>281,325</u>	<u>202,798</u>
Total Assets and Other Debits	<u>\$105,286,288</u>	<u>\$102,359,416</u>	<u>\$103,085,407</u>	<u>\$105,633,650</u>	<u>\$108,126,670</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 2,609,281	\$ 2,865,911	\$ 2,683,627	\$ 2,433,248	\$ 2,208,039
Accrued liabilities	12,119,520	10,497,536	10,445,611	10,358,992	10,894,783
Current deposits and advance rentals	1,076,864	873,199	521,559	1,120,473	1,706,758
Deferred Revenue	<u>64,349,615</u>	<u>61,658,795</u>	<u>63,141,643</u>	<u>67,462,190</u>	<u>65,179,942</u>
Total liabilities	<u>80,155,280</u>	<u>75,895,441</u>	<u>76,792,440</u>	<u>81,374,903</u>	<u>79,989,522</u>
Fund Balances:					
Reserved for encumbrances	-	-	2,972,401	1,931,020	4,339,784
Nonspendable	3,079,857	6,708,923	-	-	-
Restricted	113,801	-	198,589	-	-
Committed	2,142,919	-	-	-	-
Reserved for restricted assets	-	-	-	281,325	202,798
Unreserved and undesignated	<u>19,794,431</u>	<u>19,745,052</u>	<u>23,121,977</u>	<u>22,046,402</u>	<u>23,594,566</u>
Total fund balance	<u>25,131,008</u>	<u>26,463,975</u>	<u>26,292,967</u>	<u>24,258,747</u>	<u>28,137,148</u>
Total Liabilities and Fund Balance	<u>\$105,286,288</u>	<u>\$102,359,416</u>	<u>\$103,085,407</u>	<u>\$105,633,650</u>	<u>\$108,126,670</u>

(Source: The City's Comprehensive Annual Financial Report for the indicated years. The summary above has not been audited.)

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SALT LAKE CITY CORPORATION, UTAH  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE — GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2008 THROUGH 2012  
Unaudited

Revenues And Expenditures	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues:					
General property tax	\$62,347,247	\$62,240,024	\$67,575,196	\$ 66,237,313	\$ 67,447,285
Sales, use and excise taxes	49,635,583	46,418,446	44,089,318	47,303,903	51,367,198
Franchise taxes	28,232,971	26,549,178	26,321,802	26,318,421	28,079,172
Licenses	9,755,248	8,240,903	8,076,923	7,861,188	7,326,445
Permits	8,863,736	7,205,559	6,708,832	9,826,201	8,426,311
Fines and forfeitures	5,840,640	6,006,047	6,700,748	6,541,816	5,640,355
Interest	433,122	883,293	1,189,706	2,309,596	3,297,603
Intergovernmental	5,039,294	5,310,838	4,761,320	4,761,925	4,785,830
Interfund service charges	9,830,406	9,212,199	9,333,427	9,509,226	9,447,942
Parking meter collections	1,791,922	1,557,878	2,027,206	1,646,261	1,663,959
Parking tickets	3,374,058	2,764,396	3,808,670	3,969,193	3,102,615
Charges for services	4,558,938	3,944,391	3,926,353	4,294,227	4,034,101
Contributions	10,650	19,010	16,342	19,750	1,537,882 <sup>1</sup>
Miscellaneous	<u>2,708,746</u>	<u>2,468,362</u>	<u>855,045</u>	<u>593,688</u>	<u>534,167</u>
Total Revenues	<u>192,422,561</u>	<u>182,820,524</u>	<u>185,390,888</u>	<u>191,192,708</u>	<u>196,690,865</u>
Expenditures:					
City Council	2,178,462	1,941,221	1,740,270	1,777,148	2,174,025
Mayor	2,452,208	2,176,527	1,770,292	1,910,635	1,768,023
City Attorney	5,212,761	4,912,008	4,237,824	4,662,167	4,310,171
Finance	4,702,460	4,143,529	-	-	-
Administrative Services	-	-	11,307,473	11,819,338	11,009,323
Fire	35,529,048	33,184,291	31,507,737	33,033,125	32,586,766
Police	56,894,419	54,842,430	53,305,931	54,178,976	54,649,054
Community & Econ Dev.	17,029,116	15,773,014	12,787,152	14,012,246	12,392,791
Justice Court	4,226,916	4,149,402	-	-	-
Human Resources	1,760,846	1,567,069	-	-	-
Public Services	33,515,617	30,452,729	33,265,127	36,899,117	38,678,986
Nondepartmental	<u>15,898,701</u>	<u>15,321,626</u>	<u>15,044,806</u>	<u>16,479,624</u>	<u>14,832,256</u>
Total Expenditures	<u>179,400,554</u>	<u>168,463,846</u>	<u>164,966,612</u>	<u>174,772,376</u>	<u>172,401,395</u>
Revenues Over Expenditures	<u>13,022,007</u>	<u>14,356,678</u>	<u>20,424,276</u>	<u>16,420,332</u>	<u>24,289,470</u>
Other Financing Sources (Uses):					
Proceeds from sale of property	488,761	440,447	524,810	465,433	603,264
Transfers in	3,518,849	4,313,497	10,208,409	6,138,963	1,952,048
Transfers out	<u>(18,362,584)</u>	<u>(18,939,614)</u>	<u>(29,123,275)</u>	<u>(26,903,129)</u>	<u>(31,268,016)</u>
Total Other Financing Sources (Uses)	<u>(14,354,974)</u>	<u>(14,185,670)</u>	<u>(18,390,056)</u>	<u>(20,298,733)</u>	<u>(28,712,704)</u>
Net Change in Fund Balances	(1,332,967)	171,008	2,034,220	(3,878,401)	(4,423,234)
Fund Balance Prior Year (July 1)	<u>26,463,975</u>	<u>26,292,967</u>	<u>24,258,747</u>	<u>28,137,148</u>	<u>32,560,382</u>
Fund Balance Year End (June 30)	<u>\$25,131,008</u>	<u>\$26,463,975</u>	<u>\$26,292,967</u>	<u>\$24,258,747</u>	<u>\$28,137,148</u>

(Source: The City's Comprehensive Annual Financial Report for the indicated years. This summary has not been audited.)

<sup>1</sup> During fiscal year 2008, the State transferred responsibility of maintaining two State roads, 1300 East and North Temple, to Salt Lake City. As a result of the negotiations, the State contributed \$1,504,149 to the City to help defray the costs of maintaining these two roads for a period of time.

## HISTORICAL CITY TAX RATES

PURPOSE	TAX RATE				
	2012	2011	2010	2009	2008
General Purposes	0.003574	0.003451	0.003483	0.003349	0.002869
Interest & Sinking Fund	0.001097	0.001124	0.001076	0.000530	0.000430
Library	0.000846	0.000817	0.000791	0.000760	0.000618
Judgment Recover	<u>0.000072</u>	<u>0.000047</u>	<u>0.000078</u>	<u>0.000017</u>	-
Total Levy	0.005589	0.005439	0.005428	0.004656	0.003917

## COMPARATIVE PROPERTY TAX RATES WITHIN SALT LAKE COUNTY

Tax Levying Entity	TAX RATE				
	2012	2011	2010	2009	2008
Alta Town	0.001065	0.001084	0.001114	0.000980	0.000930
Bluffdale City	0.001630	0.001570	0.001357	0.001247	0.001010
Cottonwood Heights City	0.002654	0.002586	0.002517	0.002399	0.002098
Draper City	0.002009	0.001996	0.001896	0.001818	0.001528
Herriman City	0.000435	0.000418	0.000376	0.000371	0.000296
Holladay (City of)	0.001791	0.001767	0.001720	0.001533	0.001312
Midvale City	0.000687	0.002701	0.002669	0.002262	0.001938
Murray City	0.002259	0.002203	0.002163	0.002022	0.001767
Riverton City	0.000000	0.000880	0.000839	0.000816	0.000691
<b>Salt Lake City</b>	<b>0.005589</b>	<b>0.005439</b>	<b>0.005428</b>	<b>0.004656</b>	<b>0.003917</b>
Sandy City	0.001520	0.001481	0.001402	0.001356	0.001175
South Jordan City	0.002376	0.002332	0.002072	0.002028	0.001699
South Salt Lake City	0.002757	0.002691	0.002729	0.002665	0.002352
Taylorsville (City of)	0.002202	0.001794	0.001739	0.001690	0.001514
West Jordan City	0.002674	0.002069	0.002128	0.002080	0.001810
West Valley City	0.004857	0.004510	0.003644	0.003700	0.002527

(Source: Property Tax Division, Utah State Tax Commission.)

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TAXABLE AND FAIR MARKET VALUE OF PROPERTY

SALT LAKE CITY, UTAH

**Excluding Fee-In-Lieu/Age Based Valuation**

YEAR	TAXABLE VALUE <sup>(1)</sup>	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE <sup>(2)</sup>	% CHANGE OVER PRIOR YEAR
2011	\$18,224,321,911	0.90%	\$24,169,941,822	0.88%
2010	18,061,014,855	(2.70)	23,958,699,783	(3.08)
2009	18,561,437,358	(10.85)	24,719,576,456	(10.53)
2008	20,821,558,105	6.10	27,627,479,804	5.61
2007	19,624,987,661	17.08	26,160,479,197	17.84

**Including Fee-In-Lieu/Age Based Valuation**

YEAR	TAXABLE VALUE <sup>(1)</sup>	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE <sup>(2)</sup>	% CHANGE OVER PRIOR YEAR
2011	\$18,504,562,128	(2.26)%	\$24,450,182,039	(1.53)%
2010	18,932,631,006	(2.54)	24,830,315,934	(2.95)
2009	19,426,112,613	(11.16)	25,584,251,711	(10.77)
2008	21,865,658,839	5.72	28,671,850,538	5.34
2007	20,682,992,160	17.33	27,218,483,696	18.01

(1) Sources: Property Tax Division, Utah State Tax Commission.

(2) Estimated fair market value has been calculated by dividing the taxable value of primary residential property by .55, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Property Tax Matters."

See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Historical Summaries of Taxable Values of Property."

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HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY

SALT LAKE CITY, UTAH  
 HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY  
 TAX YEARS 2007 THROUGH 2011\*

	2011		2010	2009	2008	2007
	TAXABLE VALUE	% OF T.V.	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE
<i>Set by State Tax Commission— Centrally Assessed</i>						
Total centrally assessed.....	\$ <u>1,577,040,773</u>	<u>8.52%</u>	\$ <u>1,610,083,284</u>	\$ <u>1,603,444,833</u>	\$ <u>2,076,836,331</u>	\$ <u>2,060,112,828</u>
<i>Set by County Assessor—Locally Assessed</i>						
Real property:						
Primary residential .....	7,263,214,853	39.25	7,204,572,132	7,522,657,943	8,314,285,404	5,275,500,947
Secondary residential .....	180,003,270	0.97	176,730,700	183,319,370	197,308,550	99,756,690
Commercial and industrial .....	7,472,027,650	40.38	7,341,913,730	7,362,953,510	8,489,152,490	5,487,885,450
FAA .....	0	0.00	0	0	0	408,210
Unimproved Non-FAA-Vacant .....	989,980	0.01	945,030	1,144,060	7,396,660	0
Agricultural .....	<u>56,380</u>	<u>0.00</u>	<u>62,270</u>	<u>72,180</u>	<u>83,650</u>	<u>46,590</u>
Total real property.....	<u>14,916,292,133</u>	<u>80.61</u>	<u>14,724,223,862</u>	<u>15,070,147,062</u>	<u>17,008,226,754</u>	<u>10,863,597,887</u>
Personal property:						
Primary mobile homes.....	3,653,927	0.02	3,709,447	3,956,511	4,063,339	4,658,860
Secondary mobile homes.....	4,722,895	0.03	6,782,678	4,260,559	3,268,840	2,749,493
Other business personal property .....	1,722,599,061	9.31	1,716,215,584	1,879,628,393	1,729,162,841	1,440,125,458
SCME .....	<u>13,122</u>	<u>0.00</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total personal property .....	<u>1,730,989,005</u>	<u>9.35</u>	<u>1,726,707,709</u>	<u>1,887,845,463</u>	<u>1,736,495,020</u>	<u>1,447,533,811</u>
Fee in lieu/age based property (1).....	<u>280,240,217</u>	<u>1.51</u>	<u>871,616,151</u>	<u>864,675,255</u>	<u>1,044,100,734</u>	<u>1,664,119,899</u>
Total locally assessed.....	<u>16,647,281,138</u>	<u>89.96</u>	<u>17,322,547,722</u>	<u>17,822,667,780</u>	<u>19,788,822,508</u>	<u>13,975,251,597</u>
Total taxable value .....	<u>18,504,562,128</u>	100.00	<u>\$18,932,631,006</u>	<u>\$19,426,112,613</u>	<u>\$21,865,658,839</u>	<u>\$16,035,364,425</u>
Total taxable value (less fee in lieu/age based property) .....	<u>\$18,224,321,911</u>	98.49	<u>\$18,061,014,855</u>	<u>\$18,561,437,358</u>	<u>\$20,821,558,105</u>	<u>\$14,371,244,526</u>

\* 2012 information is not available.

(1) See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Property Tax Matters."  
 (Source: Property Tax Division, Utah State Tax Commission.)

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## TAX COLLECTION RECORD

### CITY TAX REVENUE COLLECTED

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (\$000)	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY <sup>(1)</sup>		COLLECTION IN SUBSEQUENT YEARS (\$000)	TOTAL COLLECTIONS TO DATE	
		AMOUNT (\$000)	PERCENTAGE OF LEVY		AMOUNT (\$000)	PERCENTAGE OF LEVY
2012	\$63,176	\$61,601	97.5%	\$ -	\$61,601	97.5%
2011	63,305	61,730	97.5	1,400	63,130	97.5
2010	69,542	68,081	97.9	665	68,746	97.9
2009	66,355	65,221	98.4	717	65,938	99.4
2008	64,971	64,138	98.7	642	64,780	99.7

(1) Payments are not considered delinquent until after November 30.

### SOME OF THE LARGEST TAXPAYERS IN THE CITY

TAXPAYER	TYPE OF BUSINESS	2011 TAXABLE VALUE(1)	% OF THE CITY'S 2011 TAXABLE VALUE
LDS Church (Property Reserve, City Creek Reserve)	Real Estate Holding	\$ 705,543,434	4.3%
PacifiCorp	Electric Utility	388,873,207	2.4
Sinclair Oil	Oil Company	193,873,207	1.2
Delta Airlines	Air Transportation	166,964,580	1.0
Wasatch Plaza Holding	Real Estate Holding	155,547,000	0.9
Qwest Corporation	Communication	145,150,287	0.9
Sky West Airlines	Air Transportation	138,508,482	0.8
Inland Western Salt City Gateway	Retail	122,130,300	0.7
Boyer Properties	Real Estate	112,749,700	0.7
Gateway Associates	Retail	<u>109,317,300</u>	<u>0.7</u>
		\$2,238,657,497	<u>9.3%</u>

\* Total may not add due to rounding.

(1) Taxable Value used in this table *excludes* all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Taxable and Fair Market Value of Property."

(Source: Salt Lake City Corporation Comprehensive Annual Financial Report for the year ended June 30, 2012.)

### RECENT DEVELOPMENTS {To be updated.}

In setting the budget for the current fiscal year, the City has planned on a better economic picture than the previous fiscal year. The local economy has shown increases in sales tax, growing by about 10% from the prior fiscal year. The revenues for the current fiscal year are up \$1.9 million over budgeted revenues.

The City gave employees an approximate 1.0% salary increase effective July 1, 2012. The City implemented in 2011 a high deductible health insurance program, which 48% of the employees chose (the City anticipates that another 10-15% of its employees will select the high

deductible plan this year). The City expects the high deductible plan will produce significant savings in the City's health insurance expenses. The City's insurance cost increase for the fiscal year 2013 is zero for the high deductible plan and 4% for other plans.

The City ended the fiscal year 2011 down in revenue by \$1.2 million compared to budget. The shortfall was associated with a decline in the number of parking tickets issued as well as a decrease in other court fines. The City was able to cover that shortfall by reducing expenditures by \$2.5 million. This was achieved by some departments leaving vacant positions unfilled and by overall surpluses on the operational side.

With the increase in sales tax collection and stable property tax revenue, the City has been able to withstand the recession of the past three years very well. Fund balance was maintained between 11% and 13% of total revenues during those years.

## **TAX EXEMPTION**

### **FEDERAL INCOME TAXATION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge and upon the mathematical computation of the yield on the Bonds, and the yield on certain investments by Grant Thornton LLP, Certified Public Accountants. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "*Code*"), includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is



an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "*Issue Price*") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each maturity, if any, of the Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of the Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de*

*minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

## UTAH INCOME TAXATION

In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State or any political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## LITIGATION

The City Attorney reports the following matters involving potential financial liability of the City:

Lawsuits are periodically filed against the City and/or its employees, involving tort and civil rights matters. The City has a statutory obligation to defend and indemnify its officers and employees in relation to lawsuits arising from acts or failures to act of the officers or employees while in the scope and course of employment.

The City maintains a governmental immunity fund for claims against the City. In the event the fund is not sufficient to pay any outstanding judgment or judgments, the City has the ability under State law to levy a limited ad valorem tax to pay such judgments. This tax levy is separate and apart from the other taxing powers of the City.

The City also has contract claims, condemnation proceedings and environmental matters, none of which is expected to materially adversely affect the City's financial condition.

A non-litigation certificate or opinion executed by the City Attorney, dated the date of closing, will be provided stating, among other things, that to the best of his knowledge, after due inquiry, no litigation, with merit, in the State or federal court has been served on the City or is, to the best of his knowledge, threatened, challenging the creation, organization or existence of the City, or the titles of its officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or for the purpose of restraining or enjoining the levy and collection of taxes or assessments by the City, or directly or indirectly contesting or affecting the proceedings or the authority by which the Bonds are issued, the legality of the purpose for which the Bonds are issued, or the validity of the Bonds, or the issuance thereof.

## CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Agreement (the "*Agreement*"), in substantially the form attached hereto as APPENDIX B, for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of

Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission (the “*Commission*”) under the Securities Exchange Act of 1934.

A failure by the City to comply with the Agreement will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Agreement. A failure by the City to comply with the Agreement 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 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. See “FORM OF CONTINUING DISCLOSURE AGREEMENT” attached hereto as APPENDIX B for the information to be provided, the events which will be noticed on an occurrence basis and the other terms of the Agreement, including termination, amendment and remedies.

The City is currently in compliance with each continuing disclosure undertaking entered into pursuant to the Rule.

#### **APPROVAL OF LEGAL PROCEEDINGS**

The authorization and issuance of the Bonds are subject to the approval of Chapman and Cutler LLP, Bond Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney and by Chapman and Cutler LLP, as the City’s Disclosure Counsel. The approving opinion of Bond Counsel will be delivered with the Bonds in substantially the form set forth in APPENDIX C of this Official Statement and will be made available upon request from the contact persons as indicated under “INTRODUCTION — Contact Persons.”

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

#### **BOND RATINGS**

As of the date of this Official Statement, the Bonds have been rated “\_\_\_” and “\_\_\_” by Fitch, Inc., and by Moody’s Investors Service, Inc., respectively.

Any explanation of the significance of the ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given will be maintained for any period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

## **FINANCIAL ADVISOR**

The City has entered into an agreement with Lewis Young Robertson & Burningham, Inc. (the "*Financial Advisor*"), whereunder the Financial Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the Bonds, timing of the sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Bonds. The Financial Advisor has participated in the preparation of and provided information for certain portions of the Official Statement, but has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Financial Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

## **BOND PURCHASE**

The Underwriter has agreed, subject to certain conditions, to purchase all of the Bonds from the City at an aggregate price of \$\_\_\_\_\_ (which consists of a principal amount of \$\_\_\_\_\_; *plus* net original issue premium of \$\_\_\_\_\_; *less* an Underwriters' discount of \$\_\_\_\_\_); and to make a public offering of the Bonds.

The Underwriter has advised the City that the Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the cover page of the Official Statement and that such public offering prices may be changed from time to time.

## **INDEPENDENT AUDITORS**

The basic financial statements of Salt Lake City Corporation as of and for the year ended June 30, 2012, included in APPENDIX A to this Official Statement, have been audited by Hansen, Barnett & Maxwell, P.C., independent auditors, as stated in their report appearing herein.

## **MISCELLANEOUS**

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

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

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

This Official Statement and its distribution and use have been duly authorized by the City.

This Preliminary Official Statement is in form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use have been duly authorized by the City.

SALT LAKE CITY, UTAH

By: \_\_\_\_\_  
Mayor

**APPENDIX A**

**SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



**APPENDIX B**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**CERTIFICATE OF DETERMINATION**

**PURSUANT TO**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013A**

DATED: \_\_\_\_\_, 2013

1. *Authority; Definitions.* Pursuant to the Resolution No. \_\_\_ of 2013 Authorizing the Issuance and Sale of up to \$8,000,000 General Obligation Refunding Bonds, Series 2013A, adopted by the City Council of Salt Lake City, Utah (the “*Issuer*”), on [February 19], 2013 (the “*Resolution*”), the Issuer has authorized the issuance of its General Obligation Refunding Bonds, Series 2013A (the “*Bonds*”). This certificate is executed pursuant to and in accordance with the delegation of authority contained in the Resolution, as authorized by law. All terms used herein and not otherwise defined herein shall have the meanings specified in the Resolution.

2. *Aggregate Principal Amount and Maturity of Bonds.* The Bonds shall be issued for the purpose specified in Section 202 of the Resolution in the aggregate principal amount of \$\_\_\_\_\_. The Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on June 15 and December 15, commencing June 15, 2013 at the respective rates per annum, shown below:

JUNE 15	AMOUNT MATURING	INTEREST RATE
	\$	%

3. *Purchase Price of the Bond.* The sale of the Bonds to the Underwriter at the price of \$\_\_\_\_\_ (representing the par amount of the Bonds, plus \$\_\_\_\_\_ net original issue premium and less \$\_\_\_\_\_ Underwriter’s discount) is hereby confirmed. The Bonds shall be delivered to the Underwriter and the proceeds of sale thereof applied as provided in the Resolution and paragraph 4 hereof.

4. *Use of Proceeds and Legally Available Funds of the Issuer.* The proceeds of the sale of the Bonds shall be deposited and used as follows:

- (a) \$\_\_\_\_\_, together with \$\_\_\_\_\_ of money on deposit in the Bond Account for the Series 2004A Bonds, of such proceeds shall be deposited in the Escrow Account for the Refunded Bonds; and

(b) the balance of such proceeds shall be deposited in the Costs of Issuance Account to be used for the payment of the costs of issuance of the Bonds.

*(Signature page follows.)*

IN WITNESS WHEREOF, I have hereunto set my hand on the \_\_\_\_ day of \_\_\_\_\_,  
2013.

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
Chair  
Salt Lake City Council

APPROVED AS TO FORM:

By \_\_\_\_\_  
Its \_\_\_\_\_

**SALT LAKE CITY, UTAH**

**\$ \_\_\_\_\_**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2013A**

**BOND PURCHASE AGREEMENT**

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\$ \_\_\_\_\_  
**SALT LAKE CITY, UTAH**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2013A**

**BOND PURCHASE AGREEMENT**

March \_\_, 2013

Salt Lake City, Utah  
City and County Building  
451 South State Street  
Salt Lake City, Utah 84111

The undersigned, KeyBanc Capital Markets Inc. (the “*Underwriter*”), acting for itself and not as agent or fiduciary for you, hereby offers to enter into the following agreement with Salt Lake City, Utah (the “*City*”) which, upon the City’s acceptance of this offer, will be binding upon the City and upon the Underwriter. This offer is made subject to the City’s acceptance by execution of this Bond Purchase Agreement on or before 11:59 p.m., Mountain Standard Time, on March \_\_, 2013.

*Section 1. Purchase and Sale.* Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$\_\_\_\_\_ aggregate principal amount of General Obligation Refunding Bonds, Series 2013A (the “*Bonds*”). The Bonds shall be dated as of the date of delivery thereof, and shall have the principal maturities, and bear interest at the rates per annum and be payable on the dates as shown in *Exhibit A* hereto. The aggregate purchase price for the Bonds shall be \$\_\_\_\_\_ (representing the principal amount of the Bonds plus net original issue premium of \$\_\_\_\_\_, less an Underwriter’s discount of \$\_\_\_\_\_ (\_\_\_\_%)). The payment for and delivery of the Bonds, together with the related actions contemplated by this Bond Purchase Agreement is referred to herein as the “*Closing*.”

*Section 2. The Bonds and Related Documents.* (a) The Bonds shall be as described in and shall be issued and secured under a resolution adopted by the City Council of the City (the “*City Council*”) on February 19, 2013 (the “*Resolution*”). The Bonds shall be payable at the principal corporate trust office of U.S. Bank National Association, Salt Lake City, Utah, as paying agent for the Bonds (the “*Paying Agent*”) and shall not be subject to redemption. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution.



(b) The Bonds are authorized pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended; and the Resolution for the purpose of refunding, in advance of their maturity, all of the callable portion of the City's General Obligation Bonds, Series 2004 (the "*Refunded Bonds*"). As provided in the Resolution, proceeds of the Bonds will also be used to pay costs of issuance of the Bonds and the refunding of the Refunded Bonds. A portion of the proceeds of the Bonds will be deposited with U.S. Bank National Association, as escrow agent (the "*Escrow Agent*") pursuant to an Escrow Agreement, dated as of [March 15], 2013, between the City and the Escrow Agent, and used to refund the Refunded Bonds.

*Section 3. The Official Statement.* The City has heretofore prepared and delivered to the Underwriter its Preliminary Official Statement, dated \_\_\_\_\_, 2013 (which Preliminary Official Statement, together with the cover page, summary statement and all exhibits, appendices, diagrams, reports and statements included therein or attached thereto, is herein called the "*Preliminary Official Statement*"), which the City has "deemed final" as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("*Rule 15c2-12*"). Following the execution of this Bond Purchase Agreement, the City shall deliver to the Underwriter two copies of the final Official Statement of the City relating to the Bonds executed on behalf of the City by its Mayor (the "*Mayor*"), such Official Statement to be in substantially the form as the Preliminary Official Statement, with only such changes as shall be necessary to reflect the terms of the Bonds or as shall otherwise be approved by the Underwriter. Such final Official Statement together with the cover page, summary statement and all exhibits, appendices, diagrams, reports and statements included therein or attached thereto, as amended to conform to the terms of this Bond Purchase Agreement, is herein called the "*Official Statement.*"

*Section 4. Offering.* It shall be a condition to the City's obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter's obligation to purchase, to accept delivery of and to pay for the Bonds that the entire \$\_\_\_\_\_ principal amount of the Bonds authorized by the Resolution shall be issued, sold and delivered by the City and purchased, accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at not in excess of the initial public offering prices or less than the yields set forth on the cover page of the Official Statement, plus interest accrued on the Bonds, if any, from the date of the Bonds.

*Section 5. Delivery and Use of Documents.* Following the execution of this Bond Purchase Agreement, the City will deliver or cause to be delivered to the Underwriter: (a) a copy of the Resolution, certified by the City Recorder of the City (the "*City Recorder*") to have been duly adopted and to be in full force and effect; and (b) two copies of the Official Statement approved by the City Council and executed by the Mayor. The City hereby authorizes the use by the Underwriter of the Resolution and the Official Statement and the information therein contained in connection with the public offering and sale of the Bonds. The City hereby ratifies and consents to the distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement. The Official Statement shall be provided for distribution, at the expense of the City, in such quantity as may be requested by the Underwriter no later than the earlier of (i) seven (7) business days after the date of this Bond Purchase Agreement or (ii) one (1) business

day prior to the Closing, in order to permit the Underwriter to comply with Rule 15c2-12 and the applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”) with respect to distribution of the Official Statement. The City shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB’s Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriter no later than one (1) business day prior to the Closing to enable the Underwriter to comply with MSRB Rule G-32.

*Section 6. Representations, Warranties and Agreements.* The City hereby represents and warrants to and agrees with the Underwriter as follows:

(a) The City is duly organized and existing under the Constitution and laws of the State of Utah (the “State”) with full legal right, power and authority (i) to adopt the Resolution, (ii) to enter into and deliver this Bond Purchase Agreement, the Escrow Agreement and that certain Continuing Disclosure Agreement relating to the Bonds (the “Agreement”), (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, (iv) to refund the Refunded Bonds and (v) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the City has complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(b) The City has duly authorized and approved (i) the execution and delivery of this Bond Purchase Agreement, the Escrow Agreement and the Agreement, (ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the Official Statement and (iii) the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by such instruments. All consents or approvals necessary to be obtained by the City in connection with the foregoing have been received, and the consents or approvals so received are still in force and effect.

(c) The Resolution has been duly adopted by the City, is in full force and effect, constitutes the legal, valid and binding act of the City and has not been amended, supplemented or modified except as may be described in the Official Statement; this Bond Purchase Agreement, the Escrow Agreement and the Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the City; and the Resolution, this Bond Purchase Agreement, the Escrow Agreement and the Agreement are enforceable against the City in accordance with each of their respective terms, except as enforceability thereof may be subject to applicable bankruptcy, insolvency, moratorium and similar laws affecting creditors’ rights generally and to general principals of equity.

(d) Based on the advice of counsel, the Bonds, when issued, authenticated and delivered in accordance with the Resolution and sold to the Underwriter at the Closing as provided herein, will be legally and validly issued and outstanding obligations of the City, entitled to the benefits of the Resolution and enforceable in accordance with their terms, except as enforceability may be subject to applicable bankruptcy, insolvency,

moratorium and similar laws affecting creditors' rights generally and to general principles of equity.

(e) The City has duly approved and authorized the distribution and use of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement. The Official Statement will be a final official statement, as such term is defined in the Rule 15c2-12, as of its date.

(f) The information relating to the City contained in the Preliminary Official statement was, and on the date hereof is, and in the Official Statement is, true and correct in all material respects, and the Preliminary Official Statement did not and does not, as of the date hereof, and the Official Statement does not contain any untrue or misleading statement of a material fact relating to the City or omit to state any material fact relating to the City necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) The City will not take any action from the date hereof through the Closing which would cause the information in the Official Statement to be materially untrue or materially incorrect in any material respect.

(h) If between the date of this Bond Purchase Agreement and 25 days following the "end of the underwriting period" (as defined in paragraph (e)(2) of Rule 15c2-12) any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading, the City shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Bond Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Bond Purchase Agreement by notification to the City at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

(i) The City will enter into the Agreement to provide ongoing disclosure about the City for the benefit of the Bondholders on or before the Closing as required by Section (b)(5)(i) of Rule 15c2-12, which Agreement shall be in the form and substance substantially as set forth in APPENDIX B attached to the Official Statement, with such changes as may be agreed to in writing by the Underwriter.

(j) To the extent that it relates to and would have a materially adverse effect on the financial condition of the City, the validity and enforceability of the Resolution or

the authorization, execution, delivery or performance by the City of its obligations pursuant to the Bonds, the Resolution, the Agreement, this Bond Purchase Agreement, the Escrow Agreement and the other documents entered into by the City in connection with issuance of the Bonds, the City is not in material breach of or material default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred and is continuing that with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the execution and delivery of the Bonds, this Bond Purchase Agreement, the Escrow Agreement and the Agreement and the adoption of the Resolution and compliance with the provisions on the City's part contained therein and consummation by the City of the transactions contemplated thereby and by the Official Statement, including, without limitation, the refunding of the Refunded Bonds as described in the Official Statement, will not conflict with any constitutional provision, law, administrative rule or regulation, or constitute a material breach of or material default under any judgment, decree, order, indenture, bond, note, resolution, agreement, commitment or other instrument to which the City is a party or to which the City (or any of its officers in their respective capacities as such) or any of its property or assets is otherwise subject, or any license or permit to which the City is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Resolution.

(k) Except as described in the Official Statement, as of the date hereof, no litigation with merit in State or federal court has been served on the City or is, to the best knowledge of the City, threatened against the City (i) affecting the corporate existence of the City or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the application of the proceeds thereof in accordance with the Resolution, (iii) questioning, contesting or affecting as to the City the validity or enforceability of the Act, the Bonds, the Resolution, the Agreement, the Escrow Agreement or this Bond Purchase Agreement, (iv) questioning or contesting the tax-exempt status of interest on the Bonds, (v) questioning or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the City to carry out the transactions contemplated thereby, or any authority for the issuance of the Bonds, the adoption of the Resolution, the refunding of the Refunded Bonds or the execution and delivery by the City of this Bond Purchase Agreement or the Agreement, nor, to the best knowledge of the City, is there any basis for any action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Resolution or the authorization, execution, delivery or performance by the City of the Bonds, the Resolution, the Agreement, the Escrow Agreement or this Bond Purchase Agreement.

(l) The audited financial statements of the City for the fiscal year ended June 30, 2012, included in the Preliminary Official Statement and the Official Statement, present fairly the financial position of the City as of the date indicated and such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the period involved, except as otherwise stated in the notes thereto. Other than as disclosed in the Preliminary Official Statement and in the Official Statement, there has been no material change in the general affairs, management, properties or financial position of the City since the date of such financial statements as set forth in the Preliminary Official Statement or the Official Statement.

(m) Any certificate signed by any official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the truth of the statements therein contained.

(n) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(o) The City will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Resolution or that would cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

(p) The City has, in connection with previous issues of securities, undertaken, in a written agreement or contract for the benefit of holders of such securities, to provide ongoing disclosure as described in Section (b)(5)(i) of Rule 15c2-12, and, except as is specifically disclosed in the Official Statement, the City has complied in all material respects with each such undertaking.

*Section 7. Closing.* At 9:30 A.M., Mountain Daylight Time, on March 27, 2013, or on such other date and time as may be mutually agreed upon by the City and the Underwriter, the City will deliver the Bonds to the Underwriter in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds. Delivery of and payment for the Bonds as aforesaid shall be made at the offices of Chapman and Cutler LLP ("*Bond Counsel*") in Salt Lake City, Utah, or such other place as shall have been mutually agreed upon by the City and the Underwriter. The Bonds shall be issued in book entry-only form and shall be prepared and delivered as fully registered bonds in authorized denominations and registered in the name of the Cede & Co., as nominee of The Depository Trust Company.

*Section 8. Closing Conditions.* The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered prior to and at the Closing and upon the performance by the City of

its obligations hereunder, as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The representations and warranties of the City contained herein or required to be delivered hereunder shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing.

(b) At the time of the Closing, the Official Statement shall not have been supplemented or amended, except in any such case as otherwise provided in this Bond Purchase Agreement or as may have otherwise been agreed to in writing by the Underwriter.

(c) At the time of the Closing, all official action of the City and of the other parties thereto relating to this Bond Purchase Agreement, the Bonds, the Resolution, the Escrow Agreement and the Agreement shall have been taken and the same shall be in full force and effect in accordance with their respective terms and shall not have been waived, amended, modified or supplemented in any material respect after the date hereof except as may have been agreed to in writing by the Underwriter.

(d) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(i) the Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the City by the Mayor;

(ii) the Resolution, certified by the City Recorder under her seal as having been duly adopted by the City and as being in effect, with only such supplements or amendments as may have been agreed to by the Underwriter;

(iii) a opinion, dated the date of the Closing, of Bond Counsel, in substantially the form included in the Official Statement as APPENDIX C;

(iv) a negative assurance letter of Chapman and Cutler LLP, disclosure counsel to the City, dated the date of the Closing and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(v) an opinion of counsel for the City, dated the date of Closing, in form and substance satisfactory to the Underwriter;

(vi) a certificate, in form and substance satisfactory to the Underwriter, of the City or any duly authorized officer or official of the City satisfactory to the Underwriter, dated as of the Closing, to the effect that: (A) each of the City's representations, warranties and covenants contained herein are true and correct as

of the Closing; (B) the City has authorized, by all action necessary under the Act and the laws and Constitution of the State, the adoption of the Resolution, the refunding of the Refunded Bonds and the execution, delivery and due performance of the Bonds, this Bond Purchase Agreement, the Escrow Agreement and the Agreement; (C) no litigation with merit in State or federal court has been served on the City or, to the knowledge of the officer or official of the City signing the certificate after due investigation and inquiry, is threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Resolution, the Bonds, the Agreement or this Bond Purchase Agreement; and (D) the Bonds, the Agreement, the Escrow Agreement and this Bond Purchase Agreement, as executed by the City, are in the form or in substantially the form approved for such execution by appropriate proceedings of the City;

(vii) a transcript of all proceedings relating to the authorization and issuance of the Bonds, certified by the City Recorder;

(viii) evidence satisfactory to the Underwriter that the Bonds shall have received an unsecured rating from Fitch, Inc. ("*Fitch*") and Moody's Investors Service, Inc. ("*Moody's*") of "AAA" and "Aaa," respectively;

(ix) Specimen Bond;

(x) a letter from Hansen, Barnett & Maxwell, P.C., in which consent is given to the use of its reports on the audited financial statements of the City in the Preliminary Official Statement and the Official Statement and to the references made to the firm in the Preliminary Official Statement and the Official Statement;

(xi) a copy of the executed Information Return for Tax-Exempt Governmental Bond Issues, Form 8038-G relating to the Bonds, and evidence of the filing thereof;

(xii) an executed copy of the Tax Exemption Certificate and Agreement of the City relating to matters affecting the exclusion from gross income for federal income tax purposes of interest on the Bonds, including the use of proceeds of sale of the Bonds, in form and substance satisfactory to Bond Counsel;

(xiii) an executed copy of the Escrow Agreement and of the Agreement;

(xiv) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or

prior to the date of the Closing of all the agreements then to be performed and conditions then to be satisfied by it.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate as provided in Section 9 hereof and neither the Underwriter nor the City shall be under further obligation hereunder, except that the respective obligations of the City and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

*Section 9. Termination.* The Underwriter shall have the right to terminate the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the City of its election to do so if, after the execution hereof and prior to the Closing:

(a) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, shall have pending before it, or shall have passed or recommended favorably, legislation introduced previous to the date hereof, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon interest received on obligations of the general character of the Bonds, or of causing interest on obligations of the general character of the Bonds to be includable in gross income for purposes of federal income taxation, and such legislation, in the opinion of the Underwriter, materially adversely affects the market price of or the market for the Bonds;

(b) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal or state income tax consequences of owning the Bonds or of any of the transactions contemplated in connection therewith, including causing interest on the Bonds to be included in gross income for purposes of federal or state income taxation, or imposing federal or state income taxation upon revenues or other income of the general



character to be derived by the City or by any similar body under the Resolution or similar documents or upon interest received on obligations of the general character of the Bonds, which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds;

(c) legislation shall have been enacted, or actively considered for enactment with an effective date prior to Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Resolution, as the case may be, are not exempt from the registration, qualifications, or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect;

(d) a stop order, ruling, regulation, or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect;

(e) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement, as then amended or supplemented, includes any untrue statement of a material fact, or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(f) an event described in subsection (h) of Section 6 hereof shall have occurred which, in the opinion of the Underwriter, requires an amendment or supplement to the Official Statement and which, in the reasonable judgment of the Underwriter, materially adversely affects the marketability of the Bonds or the market price thereof;

(g) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial or computer technology crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds;

(h) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds;

(i) a general banking moratorium shall have been declared by federal, New York or State authorities;

(j) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the City;

(k) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(l) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters; or

(m) any of the ratings assigned to the Bonds, as set forth in Section 8(d)(viii), shall have been reduced, suspended or withdrawn or there shall have been a degradation of the outlook with respect to the Bonds.

*Section 10. Expenses.* (a) The Underwriter shall be under no obligation to pay, and the City shall pay, or cause to be paid, any expenses incident to the performance of the City's obligations hereunder including, but not limited to: (i) the cost of preparation of the Resolution; (ii) the cost of preparation and printing of the Official Statement and any supplements and amendments thereto; (iii) the cost of preparation and printing of the Bonds, including any fees and expenses of The Depository Trust Company in connection with the issuance of the Bonds in book-entry form; (iv) the fees and disbursements of Bond Counsel; (v) the fees and disbursements of the Paying Agent; (vi) the fees and disbursements of Lewis Young Robertson & Burningham, Inc., as financial advisor; (vii) the fees and disbursements of any other engineers, accountants, and any other experts, consultants or advisers retained by the City and (viii) the fees for ratings on the Bonds.

(b) The City shall be under no obligation to pay and the Underwriter shall pay: (i) all advertising expenses and Blue Sky filing fees, if any, in connection with the public offering of the Bonds; (ii) all travel and out-of-pocket expenses incurred by them in connection with their purchase and acceptance of the Bonds and (iii) all other expenses incurred by them in connection with the public offering of the Bonds.

*Section 11. Notices.* Any notice or other communication to be given to the City under this Bond Purchase Agreement may be given by delivering the same in writing to Salt Lake City Corporation, Treasurer's Office, P.O. Box 145462, Salt Lake City, Utah 84114-5462, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to KeyBanc Capital Markets Inc., 227 West Monroe St., 17th Floor, Chicago, Illinois 60606.

*Section 12. Parties in Interest.* This Bond Purchase Agreement is made solely for the benefit of the City and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties and agreements contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter, (b) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement, or (c) any termination of this Bond Purchase Agreement.

*Section 13. MSRB Rule G-17 Acknowledgements.* The City acknowledges and agrees that (a) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the City, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Purchase Agreement, (d) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), (e) the City consulted its own legal, financial and other advisors to the extent deemed appropriate in connection with the offering of the Bonds, and (f) the City received from the Underwriter its letter dated \_\_\_\_\_ addressed to the City concerning the Underwriter's disclosure obligations relating to the Bonds under MSRB Rule G-17 and the City, on \_\_\_\_\_, acknowledged receipt of such letter.

*Section 14. Representation Regarding Ethical Standards for City Officers and Employees and Former City Officers and Employees.* **The Underwriter represents that it has not: (a) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (c) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.**

*Section 15. Effectiveness.* This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Mayor and shall be valid and enforceable at the time of such acceptance.

*Section 16. Headings.* The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

*Section 17. Counterparts.* This Bond Purchase Agreement may be signed in various counterparts which shall together constitute one and the same instrument.

*Section 18. Governing Law.* This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

*(Signature page follows.)*

Very truly yours,

KEYBANC CAPITAL MARKETS INC.

By \_\_\_\_\_  
Its \_\_\_\_\_

ACCEPTED:

This \_\_\_\_ day of \_\_\_\_\_, 2013

SALT LAKE CITY, UTAH

By \_\_\_\_\_  
Mayor

ATTESTED AND COUNTERSIGNED::

By \_\_\_\_\_  
City Recorder

APPROVED AS TO FORM:

By \_\_\_\_\_  
Senior City Attorney

[SEAL]



**ESCROW AGREEMENT**

**between**

**SALT LAKE CITY, UTAH**

**and**

**U. S. BANK NATIONAL ASSOCIATION**

**\$ \_\_\_\_\_**

**SALT LAKE CITY, UTAH  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2013A**

**providing for the refunding of certain of the City's**

**General Obligation Bonds  
Series 2004A**

**DATED AS OF [MARCH 15], 2013**

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## ESCROW AGREEMENT

THIS ESCROW AGREEMENT is dated as of [March 15], 2013, by and between SALT LAKE CITY, 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 (the “*Escrow Agent*”).

For and in consideration of the mutual covenants herein contained and other due consideration the parties hereto hereby covenant and agree as follows:

### ARTICLE I

#### DEFINITIONS

The following words and terms used in this Escrow Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning. Capitalized terms used and not defined herein have the meanings assigned to such terms in the hereinafter defined Bond Resolution:

“*Act*” means, collectively, the Utah Refunding Bond Act, Chapter 27 of Title 11 of the Utah Code; and the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code.

“*Agreement*” means this Escrow Agreement, dated as of [March 15], 2013, between the City and the Escrow Agent.

“*Bond Resolution*” means that certain resolution of the City Council, adopted on [February 19], 2013, authorizing the issuance and sale of the Series 2013A Bonds.

“*City*” means Salt Lake City, Utah,

“*City Council*” means the City Council of the City.

“*City Recorder*” means the City Recorder of the City or, in the case of the absence or disability of the City Recorder, any Deputy City Recorder.

“*City Treasurer*” means the City Treasurer of the City or, in the case of the absence or disability of the City Treasurer, any Deputy Treasurer.

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

“*Escrow Agent*” means U.S. Bank National Association, in its capacity as Escrow Agent hereunder or its successor.

“*Escrow Investments*” means the [Escrow SLGS].

[“*Escrow SLGS*” means the U.S. Treasury Certificates of Indebtedness and Notes of the State and Local Government Series, purchased with a portion of the proceeds of the Bonds and deposited hereunder, as more particularly described in *Exhibit D* attached hereto.]

“*Government Securities*” means direct obligations of the United States of America, or other securities the principal of and interest on which are unconditionally guaranteed by the United States of America.

“*Mayor*” means the Mayor of the City or, in the event of his or her absence or disability, the Deputy Mayor of the City or other person duly authorized to perform the duties of the Mayor.

“*Paying Agent*” means U.S. Bank National Association, as paying agent for the Series 2013A Bonds under the Bond Resolution.

“*Refunded Bonds*” means the Issuer’s currently outstanding Series 2004A Bonds that mature on or after June 15, 2015, as more particularly described in *Exhibit A* hereto.

“*Report*” means the opinion and report of Grant Thornton LLP, Minneapolis, Minnesota, independent Certified Public Accountants, delivered in connection with the issuance of the Series 2013A Bonds.

“*Series 2004A Bonds*” means the City’s General Obligation Bonds, Series 2004A, currently outstanding in the aggregate principal amount of \$7,680,000, a portion of which are being refunded with a portion of the proceeds of the Series 2013A Bonds.

“*Series 2013A Bonds*” means the City’s \$\_\_\_\_\_ aggregate principal amount of General Obligation Refunding Bonds, Series 2013A, authorized by the Bond Resolution.

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

## ARTICLE II

### RECITALS

*Section 2.01.* This Agreement is entered into pursuant to authority contained in the Act and in the Bond Resolution and is executed by the Mayor, the City Treasurer and the City Recorder on behalf of the City pursuant to authority contained in the Bond Resolution.

*Section 2.02.* This Agreement is irrevocable and is not subject to amendment except as otherwise expressly provided in Article VII hereof. The City Council adopted the Bond Resolution authorizing, among other things, the issuance of the Series 2013A Bonds for the purposes of refunding the Refunded Bonds in accordance with the Bond Resolution. The Series 2013A Bonds have been sold, and it is contemplated that they will be delivered to the purchaser thereof on or about March 27, 2013.

*Section 2.03.* The Escrow Agent is the duly qualified and acting Paying Agent under the Bond Resolution.

*Section 2.04.* The Refunded Bonds are payable at the principal corporate trust operations office of the Escrow Agent in [St. Paul, Minnesota].

*Section 2.05.* The Series 2004A Bonds being refunded are outstanding as set forth in *Exhibit A* attached hereto. The Series 2004A Bonds are subject to redemption on any interest payment date on or after June 15, 2014, at a redemption price equal to 100% of the principal amount of the Series 2004A Bonds so called for redemption plus accrued interest thereon to the redemption date. The Series 2004A Bonds will be called for redemption on June 15, 2014, pursuant to the Bond Resolution.

### **ARTICLE III**

#### **CREATION OF ESCROW**

*Section 3.01.* The City, by the Bond Resolution, has authorized the issuance and delivery of the Series 2013A Bonds, \$\_\_\_\_\_ of the proceeds of which are to be used to refund the Refunded Bonds by the deposit with the Escrow Agent of moneys which are sufficient to provide a beginning deposit on demand and to purchase the Escrow Investments on behalf of the City. As provided in the Report, such beginning deposit and the Escrow Investments will provide all moneys necessary to pay the redemption price of and the interest on the Refunded Bonds when due pursuant to regularly scheduled interest payment dates and appropriate calls for redemption.

*Section 3.02.* The City will deposit or cause to be deposited \$\_\_\_\_\_ from the proceeds of the sale of the Series 2013A Bonds into the Escrow Account, \$\_\_\_\_\_ of which shall be used for the purchase of the Escrow Investments and \$\_\_\_\_\_ of which shall be used for the funding of a beginning cash deposit on demand. The beginning deposit and the Escrow Investments are to be held in the Escrow Account on behalf of the City for the benefit of the owners of the Refunded Bonds to pay the redemption price of and interest on the Refunded Bonds as the same fall due on each regularly scheduled interest payment date or the redemption date of the Refunded Bonds, as set forth in the Report, and the same are hereby irrevocably pledged to the payment of redemption price of and the interest on the Refunded Bonds in accordance herewith.

### **ARTICLE IV**

#### **COVENANTS OF ESCROW AGENT**

*Section 4.01.* The Escrow Agent covenants and agrees with the City as follows:

(1) The Escrow Agent will hold the Escrow Account and all interest income or profit derived therefrom in an irrevocable, segregated and separate trust fund account solely and exclusively for the purposes for which escrowed.

(2) The Escrow Agent shall hold balances in the Escrow Account on demand and in trust for the purposes hereof and shall secure the same in accordance with applicable Utah law for the securing of public funds.

(3) The Escrow Agent will take no action in the investment or securing of the proceeds of the Escrow Investments that would cause the Refunded Bonds or the Series 2013A Bonds to be classified as “*arbitrage bonds*” under Section 148 of the Code and all lawful regulations promulgated thereunder; *provided*, it shall be under no duty to affirmatively inquire whether the Escrow Investments are properly invested under said Section; and, *provided further*, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

(4) The Escrow Agent will promptly collect all principal, interest or profit from the Escrow Investments and promptly apply the same as necessary to the payment of the redemption price of and interest on the Refunded Bonds as the same become due on each interest payment date and redemption date.

(5) The Escrow Agent will remit to the paying agent for the Refunded Bonds, in good funds on or before each interest payment date or redemption date, moneys from the Escrow Account sufficient to pay such interest and redemption price as will meet the requirements for the retirement of the Refunded Bonds as set forth in the Cash Flow Schedules to the Report. Such remittances and prepayment shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

(6) No fees of the Escrow Agent, any paying agent on the Refunded Bonds or the Paying Agent, or any other charges, may be paid from the money in the Escrow Account prior to retirement of the Refunded Bonds and the City agrees that it will pay all such fees as such payments become due. Neither the Escrow Agent, any paying agent on the Refunded Bonds nor the Paying Agent will have any lien on or with respect to the money in the Escrow Account.

(7) The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit, action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the City to the Escrow Agent’s satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

(8) The Escrow Agent will submit to the City Treasurer a statement within ten (10) days after June 30 of each year, commencing June 30, 2013, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding 12-month period (or shorter period from the date of execution hereof to June 30, 2013) and also

listing the Escrow Investments on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Escrow Investments.

(9) If at any time it shall appear to the Escrow Agent that the available proceeds of the Escrow Investments and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the owners of any of the Refunded Bonds, the Escrow Agent shall notify the City Treasurer and the City Council not less than five (5) days prior to such date, and the City agrees that it will, from any funds legally available for such purpose, make up the anticipated deficit so that no default in the making of any such payment will occur.

## **ARTICLE V**

### **COVENANTS OF THE CITY**

*Section 5.01.* The City covenants and agrees with the Escrow Agent as follows:

(a) The Escrow Agent (when acting in such capacity) shall have no responsibility or liability whatsoever for (i) any of the recitals of the City herein, (ii) the performance of or compliance with any covenant, condition, term or provision of the Bond Resolution, and (iii) any undertaking or statement of the City hereunder or under the Bond Resolution.

(b) Except as herein otherwise expressly provided, all payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the City.

## **ARTICLE VI**

### **NOTICE OF REDEMPTION**

*Section 6.01.* The Escrow Agent, as agent for the City and as Trustee for the Refunded Bonds, shall cause notice of the call for redemption of the Refunded Bonds to be given by first-class mail, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date to the registered owner of each Refunded Bond that is subject to redemption, at the address of such owner. Such notices of redemption shall specify, among other things, the date for the redemption of such Refunded Bonds, which shall be June 15, 2014. The Escrow Agent acknowledges receipt of a copy of the form of such notice of redemption. Such notice shall be in substantially the form set forth in *Exhibit B* attached hereto, with such insertions, deletions or changes as may be required.

*Section 6.02.* The Escrow Agent shall give further notice of redemption, in substantially the form set forth in *Exhibit B* attached hereto, at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts (as reasonably determined by the Escrow Agent) of obligations of the types comprising the Refunded Bonds

and to at least one national information service that disseminates notices of redemption of obligations such as the Refunded Bonds.

[*Section 6.03.* In connection with certain continuing disclosure obligations of the City pursuant to Rule 15c2-12 of the Securities and Exchange Commission promulgated pursuant to the Securities Exchange Act of 1934, as amended, the Escrow Agent shall, promptly after the deposit by the City hereunder, also give notice of the refunding of the Refunded Bonds, in substantially the form attached hereto as *Exhibit C*, to the Municipal Securities Rulemaking Board in accordance with such Rule.]

## ARTICLE VII

### AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

*Section 7.01.* This Agreement may be amended or supplemented for any one or more of the following purposes: (a) to make provision for the curing of any ambiguity, or of curing or correcting any defective provision contained in this Agreement, or of severing any provision of this Agreement that has been determined to be illegal by a court of competent jurisdiction, and (b) to add to the covenants and agreements of the City or the Escrow Agent contained in this Agreement other covenants and agreements thereafter to be observed by the City or the Escrow Agent or to make any other provision for the purpose of protecting the rights of the owners of the Refunded Bonds (any such amendment or supplement to be referred to as a “*Subsequent Action*”), upon submission to the Escrow Agent of each of the following:

(i) a certified copy of proceedings of the City Council authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the City;

(ii) an opinion<sup>1</sup> of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that (A) the Subsequent Action will not (I) cause interest on the Refunded Bonds or the Series 2013A Bonds to become includible in the gross income of the owners thereof for federal income tax purposes or (II) violate the covenants of the City not to cause the Refunded Bonds or the Series 2013A Bonds to become “*arbitrage bonds*” under Section 148 of the Code and (B) the Subsequent Action is a permitted Subsequent Action under the terms of Section 7.01 hereof and does not materially adversely affect the legal rights of the owners of the Refunded Bonds; and

(iii) an opinion of a firm of nationally recognized independent certified public accountants to the effect that the amounts (which will consist of cash or deposits on

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<sup>1</sup> Such opinion shall be in such form and may contain such disclosures and disclaimers as requested by the City, in its discretion, to the end that the opinion will or will not constitute a State or Local Bond Opinion, State Covered Opinion, or a Limited Scope Opinion, and will specify a confidence level of at least more likely than not as directed by the City (as such capitalized terms are defined in U.S. Treasury Circular 230).

demand) held in trust available or to be available for payment of the Refunded Bonds will remain sufficient, without further investment, to pay when due all principal or redemption price of and interest on the Refunded Bonds after the taking of the Subsequent Action.

*Section 7.02.* Except as provided in Section 7.01 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

*Section 7.03.* Except as provided in Section 7.01, all of the rights, powers, duties and obligations of the City Council and the City hereunder shall be irrevocable and shall not be subject to amendment by the City Council or the City and shall be binding on any successor to the officials now comprising the City Council and the officials of the City during the term of this Agreement.

*Section 7.04.* Except as provided in Section 7.01 hereof, all of the rights, powers, duties and obligations of the City Treasurer hereunder shall be irrevocable and shall not be subject to amendment and shall be binding on any successor to the City Treasurer now in office during the term of this Agreement.

## **ARTICLE VIII**

### **NOTICES TO THE CITY, THE CITY TREASURER AND THE ESCROW AGENT**

*Section 8.01.* All notices and communications to the City shall be addressed in writing to: Salt Lake City, Attention: City Recorder, 451 South State Street, Room 415, Salt Lake City, Utah 84111, or such other address as may be directed by the City from time to time by written instruction.

*Section 8.02.* All notices and communications to the City Treasurer shall be addressed in writing to: City Treasurer, Salt Lake City, 451 State Street, Room 228, Salt Lake City, Utah 84111, or such other address as may be directed by the City from time to time by written instruction.

*Section 8.03.* All notices and communications to the Escrow Agent shall be addressed in writing to: U.S. Bank National Association, Attention: Corporate Trust Services, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, or such other address as may be directed by the Escrow Agent from time to time by written instruction.

## ARTICLE IX

### TERMINATION OF AGREEMENT

*Section 9.01.* Upon final disbursement of funds sufficient to pay the redemption price of, and interest on, the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the City Treasurer, for transfer to U.S. Bank National Association, as Paying Agent, for deposit in the Bond Account for the Series 2013A Bonds to be used to pay interest on the Series 2013A Bonds, and thereupon this Agreement shall terminate.

## ARTICLE X

### COMPENSATION

Concurrently with the execution and delivery of this Agreement, the City has paid to the Escrow Agent fees for performing the services hereunder and for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Account for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

## ARTICLE XI

### MISCELLANEOUS

*Section 11.01.* This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 11.02. Representation Regarding Ethical Standards for City Officers and Employees and Former City Officers and Employees.* **The Escrow Agent represents that it has not: (a) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (c) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.**



IN WITNESS WHEREOF, the City has caused this Agreement to be signed in its official name by its Mayor and City Treasurer and attested and countersigned by its City Recorder and its official seal to be hereunto affixed, and U.S. Bank National Association, as Escrow Agent, has caused this Agreement to be signed in its corporate name by one of its Vice Presidents all as of the day and year first above written.

SALT LAKE CITY, UTAH

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_  
City Treasurer

[SEAL]

ATTEST AND COUNTERSIGN:

By \_\_\_\_\_  
City Recorder

APPROVED AS TO FORM:

By \_\_\_\_\_  
Senior City Attorney

U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Agent

By \_\_\_\_\_  
Vice President

## EXHIBIT A

### REFUNDED BONDS

The Refunded Bonds consist of the following currently outstanding bonds of Salt Lake City, Utah (the “City”):

The portion of the General Obligation Bonds, Series 2004A, currently outstanding in the aggregate principal amount of \$7,680,000 subject to optional redemption on June 15, 2014, at 100% of the principal amount thereof, plus accrued interest, and maturing on June 15 of each of the years, in the principal amounts and bearing interest at the rates per annum as follows:

MATURITY DATE (JUNE 15)	PRINCIPAL AMOUNT	INTEREST RATE
2015	\$550,000	4.000%
2016	570,000	4.000
2017	590,000	4.125
2018	615,000	4.200
2019	640,000	4.300
2020	665,000	4.400
2021	700,000	4.500
2022	730,000	4.600
2023	770,000	4.625
2024	805,000	4.700

The Series 2004A Bonds were issued pursuant to Resolution No. 20 of 2004, adopted by the City Council on April 6, 2004, which is in full force and effect and the Series 2004A Bonds are to be called for redemption on June 15, 2014.

**EXHIBIT B**

**FORM OF NOTICE OF REDEMPTION**

**NOTICE OF REDEMPTION  
ON JUNE 15, 2014**

**SALT LAKE CITY, UTAH  
GENERAL OBLIGATION BONDS  
SERIES 2004A**

NOTICE IS HEREBY GIVEN that Salt Lake City, Utah (the “*Issuer*”), has called and does hereby call for redemption, on June 15, 2014 (the “*Redemption Date*”), \$6,635,000 of the General Obligation Bonds, Series 2004A, dated April 22, 2004 (the “*Bonds*”), of the Issuer, identified under the caption “PRINCIPAL AMOUNT REFUNDED” below and numbered, maturing on June 15 of the years, in the principal amount, bearing interest at the rate per annum and with the CUSIP number, all as follows:

NUMBERED	SCHEDULED MATURITY (JUNE 15)	PRINCIPAL AMOUNT REFUNDED	INTEREST RATE	CUSIP NUMBER*
R-11	2015	\$550,000	4.000%	795574 PQ9
R-12	2016	570,000	4.000	795574 PR7
R-13	2017	590,000	4.125	795574 PS5
R-14	2018	615,000	4.200	795574 PT3
R-15	2019	640,000	4.300	795574 PU0
R-16	2020	665,000	4.400	795574 PV8
R-17	2021	700,000	4.500	795574 PW6
R-18	2022	730,000	4.600	795574 PX4
R-19	2023	770,000	4.625	795574 PY2
R-20	2024	805,000	4.700	795574 PZ9

at U.S. Bank National Association, in Salt Lake City, Utah (the “*Bond Registrar*” or “*Paying Agent*”), at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the Redemption Date.

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\* No representation is made as to the correctness of the CUSIP Number either as printed on the Bonds or as contained in this Notice of Redemption. Reliance may be placed only on the identification numbers contained in this notice or printed on the Bonds.

The redemption price of each Bond hereby called for redemption shall be paid on and after the Redemption Date upon surrender of such Bond at either of the following addresses:

By Hand:  
U.S. Bank National Association

By Mail:  
U. S. Bank National Association

Interest due on the Redemption Date on each Bond so called for redemption shall be paid by check or draft on the Paying Agent for the Bonds, mailed to the registered owner of the Bond at the address appearing on the bond register of the Issuer maintained by the Bond Registrar or at such other address as is furnished to the Bond Registrar in writing by the registered owner prior to \_\_\_\_\_, 2014, the Record Date.

NOTICE IS FURTHER GIVEN that the Bond Registrar shall not be required to register the transfer of any Bond called for redemption after \_\_\_\_\_, \_\_\_\_\_, which is a date that is 15 days before the mailing of this notice of redemption.

NOTICE IS FURTHER GIVEN that funds necessary to pay the redemption price for each such Bond have been deposited into an escrow account from the proceeds of the sale by Salt Lake City, Utah, of its \$\_\_\_\_\_ General Obligation Refunding Bonds, Series 2013A, and will be available at the place of payment on the Redemption Date and interest on each such Bond shall cease to accrue from and after such Redemption Date and on the Redemption Date there will become due and payable on each of said Bonds the redemption price thereof and interest accrued thereon to the Redemption Date.

Under the provisions of the Interest and Dividend Tax Compliance Act of 1983, paying agents making payments of principal on municipal securities may be obligated to withhold a \_\_\_\_\_% tax from remittances to individuals who have failed to furnish the Paying Agent with a valid Taxpayer Identification Number. Holders of the above-described Bonds who wish to avoid the imposition of this tax should submit certified Taxpayer Identification Numbers when presenting their Bonds for collection.

GIVEN BY ORDER of Salt Lake City, Utah, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

U. S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

By \_\_\_\_\_  
[Name] \_\_\_\_\_  
[Office] \_\_\_\_\_  
Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

[EXHIBIT C

[FORM OF NOTICE OF REFUNDING]

NOTICE OF REFUNDING  
OF THE  
SALT LAKE CITY, UTAH

GENERAL OBLIGATION BONDS  
SERIES 2004A

SCHEDULED MATURITY (JUNE 15)	PRINCIPAL AMOUNT	INTEREST RATE
2015	\$ 550,000	4.000%
2016	570,000	4.000
2017	590,000	4.125
2018	615,000	4.200
2019	640,000	4.300
2020	665,000	4.400
2021	700,000	4.500
2022	730,000	4.600
2023	770,000	4.625
2024	<u>805,000</u>	4.700
TOTAL	\$6,635,000	

NOTICE IS HEREBY GIVEN that for the payment of the interest on and principal of the bonds described above (the "*Series 2004A Bonds*"), there have been deposited in escrow with U.S. Bank National Association, Salt Lake City, Utah (the "*Escrow Agent*") moneys which have been invested in [United States Treasury Securities - State and Local Government Series, which are direct obligations of the United States of America] or held in cash. The projected principal payments to be received from such Treasury Securities and the projected interest income therefrom have been calculated to be sufficient, with such cash, to pay the principal and interest requirements on such Series 2004A Bonds when due through and including the redemption prior to maturity of the Series 2004A Bonds on June 15, 2014.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

By \_\_\_\_\_  
Its \_\_\_\_\_ ]

**EXHIBIT D**

[ESCROW SLGS]

[See attached.]