



REVISED MOTION SHEET

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Russell Weeks
Public Policy Analyst

DATE: February 26, 2014

**RE: MOTION SHEET – MARMALADE LIBRARY: LOCAL BUILDING AUTHORITY LEASE
REVENUE BONDS**

The motion sheet contains motions relating to the final step in the City Council's and the Local Building Authority's approval of issuing bonds to build the Marmalade Branch Library. Staff expects to revise the motions March 4 to reflect the actual amount of the lease revenue bonds sold the morning of March 3.

AS THE CITY COUNCIL:

MOTION 1

I move that the City Council adopt the resolution approving the issuance and the sale of lease revenue bonds of the Local Building Authority of Salt Lake City, Utah, in the aggregate principal amount of **\$7,095,000** as specified in the resolution.

MOTION 2

I move that the City Council recess and convene as the Board of Directors of the Local Building Authority of Salt Lake City, Utah.

AS THE BOARD OF DIRECTORS OF THE LOCAL BUILDING AUTHORITY OF SALT LAKE CITY, UTAH

MOTION 3

I move that the Board approve the minutes of its December 3, 2013, meeting.

CITY COUNCIL OF SALT LAKE CITY
451 SOUTH STATE STREET, ROOM 304
P.O. BOX 145476, SALT LAKE CITY, UTAH 84114-5476

WWW.COUNCIL.SLCGOV.COM
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KYLE LAMALFA | DISTRICT 2 | COUNCIL CHAIR || JILL REMINGTON LOVE | DISTRICT 5 | COUNCIL VICE CHAIR || CARLTON CHRISTENSEN | DISTRICT 1 || STAN PENFOLD | DISTRICT 3 || LUKE GARROTT | DISTRICT 4 || CHARLIE LUKE | DISTRICT 6 || SØREN SIMONSEN | DISTRICT 7

MOTION 4

I move that the Board adopt the resolution authorizing the issuance and sale of lease revenue bonds of the Local Building Authority of Salt Lake City, Utah, in the aggregate principal amount of **\$7,095,000** as specified in the resolution for the purpose of financing a portion of the cost of acquiring, constructing, and improving a new library.

MOTION 5

I move that the Board adjourn and reconvene as the Salt Lake City Council.



MOTION SHEET

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COUNCIL STAFF REPORT

CITY COUNCIL *of* SALT LAKE CITY

TO: City Council Members

FROM: Russell Weeks
Public Policy Analyst

DATE: February 26, 2014

**RE: MARMALADE LIBRARY: LOCAL
BUILDING AUTHORITY LEASE
REVENUE BONDS**

PROJECT TIMELINE:

Briefing: August 20, 2013

Set Date: November 12, 2013

Public Hearings: December 3, 2013

Potential Action: March 4, 2014 –

As Local Building Authority Adopt
Final Bond Resolution and Authorize
Sale

Council Sponsor: **Not Required**

ISSUE AT-A-GLANCE

This item is the last step to issue lease-revenue bonds to fund construction of the Marmalade Branch Library.

The bond sale is scheduled for the morning of March 3. The City Council will receive a new resolution with the actual amount of the bonds to be issued by the **Council's March 4** formal meeting scheduled for 7 p.m. Staff plans to prepare new motions that show the amount of the bonds. After the bonds are sold, the only choice the City Council would have is either to adopt the final resolution or not to adopt it, and there has been no sentiment expressed not to adopt the resolution.

The City Council has previously considered broad policies involving the planned bond sale at length in its capacity as the financial steward of public revenues. The project also has been considered by the City Council in its capacity the Redevelopment Agency Board of Directors, by Mayor **Ralph Becker's Administration**, and by the Salt Lake City Public Library Board of Directors.

If the City Council adopts the resolution, the Council Chair must sign documents related to the bond sale the same night the resolution is adopted, according to the Administration transmittal letter.¹

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ADDITIONAL & BACKGROUND INFORMATION

The bonds proposed to be issued are lease revenue bonds and will be repaid from property taxes allocated from the Library Fund. The Library Fund is a fund allowed by Utah law that a municipality can establish to pay to build and maintain public libraries. If approved by the City Council, the bonds would be used to build the second of two branch libraries first considered by the Council in 2009.²

The Marmalade Branch Library is expected to anchor a future mixed-use development on property marketed by the Salt Lake City Redevelopment Agency on 300 West Street between 500 North and 600 North streets.³ The library primarily would serve the Marmalade, Capitol Hill, Guadalupe, and Swedetown neighborhoods.⁴

Preliminary financial estimates included in the transmittal project that the total principal amount of the bond issue will be about \$6,975,000. The projected interest paid will be about \$4,062,622. The total amount of principal and interest will equal about \$11,037,622. The projected debt service repayment schedule will be about \$536,000 a year ending in April 2035.

Cc: Cindy Gust-Jenson, David Everitt, Margaret Plane, Marina Scott, John Spears, Gordon Hoskins, Gina Chamness, DJ Baxter, Jennifer Bruno, Jace P. Bunting, Boyd Ferguson, Randy Hillier

File Location: Salt Lake City Public Library, Local Building Authority of Salt Lake City, Glendale Branch Library

¹ Transmittal Letter, Gordon Hoskins, February 12, 2014, Page 2.

² City Council Meeting Minutes, June 16, 2009.

³ Transmittal letter, Local Building Authority Budget Amendment No. 1, FY 2013-2014, David Everitt, August 5, 2013, Page 2.

⁴ Transmittal Letter, David Everitt.

MARINA SCOTT
CITY TREASURER

SALT LAKE CITY CORPORATION

DEPARTMENT OF FINANCE
TREASURER'S DIVISION

SCANNED TO: RALPH BECKER
SCANNED BY: *Maureen*
DATE: 3/4/14

CITY COUNCIL TRANSMITTAL


David Everitt, Chief of Staff

RECEIVED

Date Received: 3/4/2014
Date sent to Council: 3/4/2014

Salt Lake City Mayor

TO: Salt Lake City Council
Charlie Luke, Chair

DATE: March 3, 2014

FROM: Gordon Hoskins, Finance Director



SUBJECT: Results of Sale for Local Building Authority of Salt Lake City, Lease Revenue Bonds, Series 2014A (Marmalade Library Project)

STAFF CONTACT: Marina Scott, City Treasurer (801-535-6565)

COUNCIL SPONSOR: Exempt

DOCUMENT TYPE: Resolution

RECOMMENDATION: The Administration recommends that March 4, 2014 the City Council, acting as the Board of Directors of the Local Building Authority, adopts the final Bond Resolution that authorizes the issuance and approves the sale of \$7,095,000 par amount of Lease Revenue Bonds, Series 2014A, (the "Bonds").

BUDGET IMPACT: No impact to the General Fund, and a pass through for the Local Building Authority Fund for debt service payments. Salt Lake City Library will be providing funds to pay debt service for this project. However, during the construction period, debt service will be paid from capitalized interest which was included in the par amount of the bond. Capitalized interest payments will be approximately \$427,725 through and including October 2015. Thereafter, annual debt service is estimated to be approximately \$520,000. Please see Sources and Uses, and Debt Service schedules that reflect the results of the bond sale.

BACKGROUND/DISCUSSION: The Bonds were sold using the negotiated method of sale. The average coupon is 3.95%. The true interest cost is 3.54%. George K. Baum was the underwriter. A Pricing Summary highlighting key elements of this bond deal is attached.

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

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The appropriate documents will need to be signed the evening of Council action, March 4, 2014, to lock in rates.

Attachments

cc: Jace Bunting, Gina Chamness, Boyd Ferguson, John Spears, Randy Hillier, Gordon Hoskins, Joseph Moratalla.



\$7,095,000

Final

Local Building Authority of Salt Lake City, Utah
Lease Revenue Bonds, Series 2014A
(Marmalade Library Project)

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\$7,095,000

Final

Local Building Authority of Salt Lake City, Utah

Lease Revenue Bonds, Series 2014A

(Marmalade Library Project)

Sources & Uses

Dated 03/20/2014 | Delivered 03/20/2014

Sources Of Funds

Par Amount of Bonds	\$7,095,000.00
Reoffering Premium	319,104.25
Total Sources	\$7,414,104.25

Uses Of Funds

Total Underwriter's Discount (0.475%)	33,701.25
Costs of Issuance	100,890.53
Deposit to Capitalized Interest (CIF) Fund	427,724.47
Deposit to Project Construction Fund	6,851,788.00
Total Uses	\$7,414,104.25



\$7,095,000

Final

Local Building Authority of Salt Lake City, Utah
 Lease Revenue Bonds, Series 2014A
 (Marmalade Library Project)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/20/2014	-	-	-	-	-
10/15/2014	-	-	155,842.71	155,842.71	-
04/15/2015	-	-	136,837.50	136,837.50	292,680.21
10/15/2015	-	-	136,837.50	136,837.50	-
04/15/2016	245,000.00	2.000%	136,837.50	381,837.50	518,675.00
10/15/2016	-	-	134,387.50	134,387.50	-
04/15/2017	250,000.00	2.000%	134,387.50	384,387.50	518,775.00
10/15/2017	-	-	131,887.50	131,887.50	-
04/15/2018	255,000.00	3.000%	131,887.50	386,887.50	518,775.00
10/15/2018	-	-	128,062.50	128,062.50	-
04/15/2019	265,000.00	3.000%	128,062.50	393,062.50	521,125.00
10/15/2019	-	-	124,087.50	124,087.50	-
04/15/2020	270,000.00	3.000%	124,087.50	394,087.50	518,175.00
10/15/2020	-	-	120,037.50	120,037.50	-
04/15/2021	280,000.00	5.000%	120,037.50	400,037.50	520,075.00
10/15/2021	-	-	113,037.50	113,037.50	-
04/15/2022	295,000.00	5.000%	113,037.50	408,037.50	521,075.00
10/15/2022	-	-	105,662.50	105,662.50	-
04/15/2023	310,000.00	5.000%	105,662.50	415,662.50	521,325.00
10/15/2023	-	-	97,912.50	97,912.50	-
04/15/2024	325,000.00	5.000%	97,912.50	422,912.50	520,825.00
10/15/2024	-	-	89,787.50	89,787.50	-
04/15/2025	340,000.00	5.000%	89,787.50	429,787.50	519,575.00
10/15/2025	-	-	81,287.50	81,287.50	-
04/15/2026	360,000.00	5.000%	81,287.50	441,287.50	522,575.00
10/15/2026	-	-	72,287.50	72,287.50	-
04/15/2027	375,000.00	3.250%	72,287.50	447,287.50	519,575.00
10/15/2027	-	-	66,193.75	66,193.75	-
04/15/2028	390,000.00	3.250%	66,193.75	456,193.75	522,387.50
10/15/2028	-	-	59,856.25	59,856.25	-
04/15/2029	400,000.00	3.500%	59,856.25	459,856.25	519,712.50
10/15/2029	-	-	52,856.25	52,856.25	-
04/15/2030	415,000.00	3.500%	52,856.25	467,856.25	520,712.50
10/15/2030	-	-	45,593.75	45,593.75	-
04/15/2031	430,000.00	3.625%	45,593.75	475,593.75	521,187.50
10/15/2031	-	-	37,800.00	37,800.00	-
04/15/2032	445,000.00	4.000%	37,800.00	482,800.00	520,600.00
10/15/2032	-	-	28,900.00	28,900.00	-
04/15/2033	465,000.00	4.000%	28,900.00	493,900.00	522,800.00
10/15/2033	-	-	19,600.00	19,600.00	-
04/15/2034	480,000.00	4.000%	19,600.00	499,600.00	519,200.00
10/15/2034	-	-	10,000.00	10,000.00	-
04/15/2035	500,000.00	4.000%	10,000.00	510,000.00	520,000.00
Total	\$7,095,000.00	-	\$3,604,830.21	\$10,699,830.21	-

Yield Statistics

Bond Year Dollars	\$91,347.71
Average Life	12.875 Years
Average Coupon	3.9462733%
Net Interest Cost (NIC)	3.6338374%
True Interest Cost (TIC)	3.5425427%
Bond Yield for Arbitrage Purposes	3.4732608%
All Inclusive Cost (AIC)	3.6836503%

IRS Form 803B

Net Interest Cost	3.5178448%
Weighted Average Maturity	12.598 Years

Lease Revenue Bonds: 030 | SINGLE PURPOSE | 3/3/2014 | 1:57 PM



\$7,095,000

Final

Local Building Authority of Salt Lake City, Utah
 Lease Revenue Bonds, Series 2014A
 (Marmalade Library Project)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
03/20/2014	-	-	-	-	-	-	-
10/15/2014	-	-	155,842.71	155,842.71	(155,842.71)	-	-
04/15/2015	-	-	136,837.50	136,837.50	(136,837.50)	-	-
10/15/2015	-	-	136,837.50	136,837.50	(136,837.50)	-	-
04/15/2016	245,000.00	2.000%	136,837.50	381,837.50	-	381,837.50	381,837.50
10/15/2016	-	-	134,387.50	134,387.50	-	134,387.50	-
04/15/2017	250,000.00	2.000%	134,387.50	384,387.50	-	384,387.50	518,775.00
10/15/2017	-	-	131,887.50	131,887.50	-	131,887.50	-
04/15/2018	255,000.00	3.000%	131,887.50	386,887.50	-	386,887.50	518,775.00
10/15/2018	-	-	128,062.50	128,062.50	-	128,062.50	-
04/15/2019	265,000.00	3.000%	128,062.50	393,062.50	-	393,062.50	521,125.00
10/15/2019	-	-	124,087.50	124,087.50	-	124,087.50	-
04/15/2020	270,000.00	3.000%	124,087.50	394,087.50	-	394,087.50	518,175.00
10/15/2020	-	-	120,037.50	120,037.50	-	120,037.50	-
04/15/2021	280,000.00	5.000%	120,037.50	400,037.50	-	400,037.50	520,075.00
10/15/2021	-	-	113,037.50	113,037.50	-	113,037.50	-
04/15/2022	295,000.00	5.000%	113,037.50	408,037.50	-	408,037.50	521,075.00
10/15/2022	-	-	105,662.50	105,662.50	-	105,662.50	-
04/15/2023	310,000.00	5.000%	105,662.50	415,662.50	-	415,662.50	521,325.00
10/15/2023	-	-	97,912.50	97,912.50	-	97,912.50	-
04/15/2024	325,000.00	5.000%	97,912.50	422,912.50	-	422,912.50	520,825.00
10/15/2024	-	-	89,787.50	89,787.50	-	89,787.50	-
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10/15/2026	-	-	72,287.50	72,287.50	-	72,287.50	-
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10/15/2030	-	-	45,593.75	45,593.75	-	45,593.75	-
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04/15/2032	445,000.00	4.000%	37,800.00	482,800.00	-	482,800.00	520,600.00
10/15/2032	-	-	28,900.00	28,900.00	-	28,900.00	-
04/15/2033	465,000.00	4.000%	28,900.00	493,900.00	-	493,900.00	522,800.00
10/15/2033	-	-	19,600.00	19,600.00	-	19,600.00	-
04/15/2034	480,000.00	4.000%	19,600.00	499,600.00	-	499,600.00	519,200.00
10/15/2034	-	-	10,000.00	10,000.00	-	10,000.00	-
04/15/2035	500,000.00	4.000%	10,000.00	510,000.00	-	510,000.00	520,000.00
Total	\$7,095,000.00	-	\$3,604,830.21	\$10,699,830.21	(429,517.71)	\$10,270,312.50	-

Lease Revenue Bonds, 03.0 | SINGLE PURPOSE | 3/3/2014 | 1:57 PM



\$7,095,000

Final

Local Building Authority of Salt Lake City, Utah

Lease Revenue Bonds, Series 2014A

(Marmalade Library Project)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
04/15/2016	Serial Coupon	2.000%	0.450%	245,000.00	103.189%	252,813.05
04/15/2017	Serial Coupon	2.000%	0.750%	250,000.00	103.785%	259,462.50
04/15/2018	Serial Coupon	3.000%	1.040%	255,000.00	107.789%	274,861.95
04/15/2019	Serial Coupon	3.000%	1.380%	265,000.00	107.904%	285,945.60
04/15/2020	Serial Coupon	3.000%	1.830%	270,000.00	106.691%	288,065.70
04/15/2021	Serial Coupon	5.000%	2.180%	280,000.00	118.381%	331,466.80
04/15/2022	Serial Coupon	5.000%	2.470%	295,000.00	118.405%	349,294.75
04/15/2023	Serial Coupon	5.000%	2.690%	310,000.00	118.479%	367,284.90
04/15/2024	Serial Coupon	5.000%	2.830%	325,000.00	118.078% c	383,753.50
04/15/2025	Serial Coupon	5.000%	3.010%	340,000.00	116.437% c	395,885.80
04/15/2026	Serial Coupon	5.000%	3.130%	360,000.00	115.358% c	415,288.80
04/15/2027	Serial Coupon	3.250%	3.500%	375,000.00	97.394%	365,227.50
04/15/2028	Serial Coupon	3.250%	3.600%	390,000.00	96.161%	375,027.90
04/15/2029	Serial Coupon	3.500%	3.700%	400,000.00	97.703%	390,812.00
04/15/2030	Serial Coupon	3.500%	3.800%	415,000.00	96.414%	400,118.10
04/15/2031	Serial Coupon	3.625%	3.900%	430,000.00	96.593%	415,349.90
04/15/2035	Term 1 Coupon	4.000%	4.100%	1,890,000.00	98.595%	1,863,445.50
Total	-	-	-	\$7,095,000.00	-	\$7,414,104.25

Bid Information

Par Amount of Bonds	\$7,095,000.00
Reoffering Premium or (Discount)	319,104.25
Gross Production	\$7,414,104.25
Total Underwriter's Discount (0.475%)	\$(33,701.25)
Bid (104.023%)	7,380,403.00
Total Purchase Price	\$7,380,403.00
Bond Year Dollars	\$91,347.71
Average Life	12.875 Years
Average Coupon	3.9462733%
Net Interest Cost (NIC)	3.6338374%
True Interest Cost (TIC)	3.5425427%

Lease Revenue Bonds, 03.0 | SINGLE PURPOSE | 3/3/2014 | 1:57 PM

Resolution No. ___ of 2014

A Resolution approving the issuance of the Local Building Authority of Salt Lake City, Utah, Lease Revenue Bonds, Series 2014A, in the aggregate principal amount of \$~~_____~~7,095,000; authorizing the execution and delivery of a First Amendment to Master Lease Agreement, a Construction Agency Agreement, a Purchase Contract, a Tax Certificate, a Preliminary Official Statement, a Continuing Disclosure Agreement and other agreements and documents required in connection therewith; approving the sale of such Bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution; and related matters.

WHEREAS, the Local Building Authority of Salt Lake City, Utah (the “*Issuer*”) has been duly organized as a Utah nonprofit corporation by Salt Lake City, Utah (the “*City*”) solely for the purpose of (a) accomplishing the public purposes for which the City exists by acquiring, constructing, improving or extending any improvements, facilities or properties (whether real or personal) and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, and (b) financing the costs of such projects on behalf of the City in accordance with the procedures and subject to the limitations of the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “*Act*”), and other applicable Utah law;

WHEREAS, the Act provides that the Issuer may issue and sell its bonds for the purpose of paying the costs of acquiring, constructing, improving or extending a project (as such term is defined in the Act), and such bonds shall be secured by a pledge and assignment of the revenues received by the Issuer under the lease agreement with respect to the project financed or refinanced with the proceeds of the sale of such bonds and may be secured by (a) a mortgage covering all or any part of such project, (b) a pledge and assignment of the lease agreement for that project, (c) money held in reserve funds or (d) any other security devices with respect to the project as may be deemed most advantageous by the Issuer;

WHEREAS, the City desires that the Issuer undertake the acquisition, construction and improvement of a certain project pursuant to the Act consisting of the acquisition, construction and improvement of a new library (the “*Marmalade Facilities*”), on land owned by the Issuer (the “*Marmalade Site*”);

WHEREAS, the Issuer and the City will enter into a First Amendment to Master Lease Agreement, dated as of March 1, 2014 (the “*First Amendment*”) to that certain Master Lease Agreement, dated as of June 1, 2013 (the “*Master Lease*” and, together with the First Amendment, the “*Lease*”), the form of which is attached hereto as *Exhibit A*, pursuant to which the Issuer has agreed (a) to Acquire or to cause the Acquisition (as such terms are defined in the

Lease) of the Marmalade Facilities on the Marmalade Site (the “*Project*”) and (b) to lease the Marmalade Facilities to the City, all on the terms and conditions set forth in the Lease;

WHEREAS, the City has heretofore reviewed and approved the plans and specifications for the Project in satisfaction of the requirements of Section 17D-2-302 of the Act;

WHEREAS, the estimated cost of the Project, including capitalized interest on the Series 2014A Bonds (defined below) and costs of issuance relating to the Series 2014A Bonds that are to be financed from the proceeds of the Series 2014A Bonds is not more than \$~~_____~~7,380,403;

WHEREAS, the City will agree, as agent of the Issuer pursuant to that certain Construction Agency Agreement (Marmalade Project), dated as of March 1, 2014 (the “*Construction Agency Agreement*”), the form of which is attached hereto as *Exhibit B*, to construct or to cause the construction of the Project as provided therein and in the Lease;

WHEREAS, pursuant to and in accordance with the provisions of the Act and the Indenture, the Issuer has determined that it is in the best interest of the Issuer and the City (a) to issue its \$~~_____~~7,095,000 aggregate principal amount of Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A (the “*Series 2014A Bonds*”) pursuant to this Resolution and an Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Original Indenture*”), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*” and, together with the Original Indenture, the “*Indenture*”), between the Issuer and U.S. Bank National Association, as trustee (the “*Trustee*”), the form of which is attached hereto as *Exhibit C*, to provide funds for the purpose of (i) paying a portion of the costs of acquiring, constructing and improving the Project as provided in the Lease, (ii) providing capitalized interest to pay the portion of interest accruing on the Series 2014A Bonds during the period of acquisition, construction and improvement of the Project and for a reasonable period thereafter not exceeding 12 months as permitted by the Act and (iii) paying costs of issuance relating to the issuance, sale and delivery of the Series 2014A Bonds, (b) to lease the Leased Property (as defined in the Lease) to the City in consideration of certain Base Rentals (as defined in the Lease) and Additional Rentals (as defined in the Lease) to be paid as provided in the Lease, which will be sufficient (so long as the City extends the term of the Lease for each successive one-year renewal term) to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and certain other costs and expenses as provided in the Lease;

WHEREAS, the Issuer desires to provide for continuous compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”), in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes by entering into such tax certificates and other agreements and certificates for such purposes as directed by bond counsel for the issuance of the Series 2014A Bonds;

WHEREAS, the Issuer has negotiated for the sale of the Series 2014A Bonds to George K. Baum & Company, as underwriter (the “*Underwriter*”), pursuant to that certain Purchase

Contract, dated as of the date hereof (the “*Purchase Contract*”), attached hereto as *Exhibit D*, among the Issuer, the City and the Underwriter, and in the opinion of the Issuer it is to the best interests of the City and the Issuer that the offer of the Underwriter to purchase the Series 2014A Bonds as provided in the Purchase Contract be accepted and sale of the Series 2014A Bonds to the Purchaser be ratified and confirmed;

WHEREAS, the City has reviewed the Preliminary Official Statement, dated February ~~21~~, 2014 (the “*Preliminary Official Statement*”) attached hereto as *Exhibit F* circulated in connection with the offering for sale of the Series 2014A Bonds and considers it necessary and desirable to ratify the distribution of the Preliminary Official Statement and to authorize the distribution of a final Official Statement; and

WHEREAS, there has been presented to the City Council of the City at this meeting the Purchase Contract and the proposed form of each of the following agreements: (a) the First Supplement; (b) the First Amendment; (c) Construction Agency Agreement, (d) the Continuing Disclosure Agreement (defined below) and (e) the Purchase Contract, in connection with the issuance of the Series 2014A Bonds and the financing of the acquisition, construction and improvement of the Project on the Marmalade Site; and

WHEREAS, the Issuer proposes to adopt a Bond Resolution, dated as of the date of this Resolution, for the issuance of its Series 2014A Bonds (the “*Bond Resolution*”), attached hereto as *Exhibit E*.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of Salt Lake City, Utah, as follows:

Section 1. Definitions. Certain words and phrases are defined in the preambles hereto. Unless otherwise defined herein, all words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Resolution. In addition, the following words and phrases as used in this Resolution shall have the following meanings unless the context clearly indicates a different meaning or intent:

“*City*” shall mean the Salt Lake City, Utah, a duly organized and existing body corporate and a political subdivision of the State of Utah, and any public body or public corporation succeeding to its rights and obligations under any of the Operative Agreements.

“*Operative Agreements*” shall mean, collectively, the Lease, the Indenture, the Construction Agency Agreement and the Purchase Contract.

“*State*” shall mean the State of Utah.

“*Tax Certificate*” shall mean any agreement or certificate of the Issuer and the City which the Issuer and the City may execute in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes.

Section 2. Approval of Issuance of Series 2014A Bonds. For the purposes enumerated in the preamble to this Resolution and paying the costs and expenses incidental thereto and to the issuance of the Series 2014A Bonds hereinafter described, the City hereby approves the issuance of the Series 2014A Bonds by the Issuer pursuant to the Act and in accordance with and subject to the terms, conditions and limitations established in the Indenture and in the Bond Resolution and in accordance with and subject to the terms, conditions and limitations established in the Indenture.

Section 3. Terms of the Series 2014A Bonds. (a) The Series 2014A Bonds shall be issued in the aggregate principal amount of \$~~7,095,000~~ 7,095,000 pursuant hereto and to the Indenture. The Series 2014A Bonds shall be issuable only as fully-registered bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000, shall be dated their date of delivery, and shall bear interest from such date payable on October 15, 2014, and thereafter semiannually on April 15 and October 15 of each year until paid as provided in the Indenture. The Series 2014A Bonds shall mature on April 15 of each year, and of the amounts and bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months), as follows:

MATURITY DATE (APRIL 15)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	— %

<u>MATURITY DATE</u> <u>(APRIL 15)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
<u>2016</u>	<u>\$ 245,000</u>	<u>2.000%</u>
<u>2017</u>	<u>250,000</u>	<u>2.000</u>
<u>2018</u>	<u>255,000</u>	<u>3.000</u>
<u>2019</u>	<u>265,000</u>	<u>3.000</u>
<u>2020</u>	<u>270,000</u>	<u>3.000</u>
<u>2021</u>	<u>280,000</u>	<u>5.000</u>
<u>2022</u>	<u>295,000</u>	<u>5.000</u>
<u>2023</u>	<u>310,000</u>	<u>5.000</u>
<u>2024</u>	<u>325,000</u>	<u>5.000</u>
<u>2025</u>	<u>340,000</u>	<u>5.000</u>
<u>2026</u>	<u>360,000</u>	<u>5.000</u>
<u>2027</u>	<u>375,000</u>	<u>3.250</u>
<u>2028</u>	<u>390,000</u>	<u>3.250</u>

<u>MATURITY DATE</u> <u>(APRIL 15)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
<u>2029</u>	<u>400,000</u>	<u>3.500</u>
<u>2030</u>	<u>415,000</u>	<u>3.500</u>
<u>2031</u>	<u>430,000</u>	<u>3.625</u>
<u>2035</u>	<u>1,890,000</u>	<u>4.000</u>

(b) The Series 2014A Bonds and the Trustee's certificate of authentication to be endorsed thereon shall be in substantially the forms set forth in the Indenture which forms are hereby incorporated herein by this reference, and the provisions for the signatures, authentication, payment, places of payment, medium of payment, transfer, exchange, registration, number and other provisions thereof, to the extent not provided herein, shall be as set forth in the Indenture as finally executed and are hereby approved and hereby incorporated herein by this reference. The form of the Series 2014A Bonds, submitted to this meeting as part of the Indenture, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture is hereby approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Resolution in the aggregate principal amount herein provided, it shall represent the approved form of the Series 2014A Bonds.

(c) Upon the occurrence of an Event of Nonappropriation (as such term is defined in the Lease) or an Event of Default under the Lease or the Indenture, the Trustee shall be entitled to exercise such rights and remedies (including but not limited to the appointment of a receiver) as are provided in the Indenture or as are otherwise provided to the Issuer under the Act or other applicable law; *provided, however*, that no deficiency judgment upon foreclosure of the lien of the Indenture may be entered against the Issuer, the City, the State or any political subdivision of the State, except as otherwise expressly provided in the Indenture and as permitted by the Act.

Section 4. Limited Obligations. The Series 2014A Bonds, together with the interest and premium, if any, thereon, are not general obligations of the Issuer but are limited obligations and, except for the security provided by the Indenture, pursuant to Section 17D-2-505 of the Act, are payable solely out of Base Rentals (and Additional Rentals to the extent necessary to replenish the Reserve Fund) received by the Trustee under the Lease and certain other amounts received under the Indenture. Nothing in this Resolution, the Indenture or the Series 2014A Bonds shall be construed as requiring the State or any political subdivision of the State to pay any of the Series 2014A Bonds or to pay any of the premium (if any) or interest thereon or to appropriate any money to pay the same. Pursuant to Section 17D-2-505 of the Act and the Indenture, the Series 2014A Bonds shall be secured by the Trust Estate, which is specifically pledged, mortgaged, hypothecated, assigned and otherwise secured in the Indenture, subject to Permitted Encumbrances, for the equal and ratable payment of the Series 2014A Bonds and any bonds hereafter issued on a parity with the Series 2014A Bonds under the Indenture and shall be used for no other purpose than to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and such additional parity bonds, except as may be otherwise expressly authorized in the Indenture. Neither the full faith and credit nor the taxing powers of the State or any political subdivision of such State is pledged to the payment of the principal of, or premium,

if any, or interest on, the Series 2014A Bonds or other costs appertaining thereto. The Series 2014A Bonds and the interest and premium, if any, thereon do not now and shall never constitute an indebtedness of the Issuer, the City, the State or any political subdivision of such State within the meaning of any State constitutional provision or limitation nor give rise to or be a general obligation or liability of nor a charge against the general credit or taxing powers of the State or any political subdivision of the State. No breach of any covenant or agreement in the Indenture or the Lease shall impose any general obligation or liability upon, nor a charge against, the City or the general credit or taxing power of the State or any of its political subdivisions. THE OBLIGATION OF THE CITY TO PAY BASE RENTALS AND OTHER AMOUNTS UNDER THE LEASE IS ANNUALLY RENEWABLE AS PROVIDED THEREIN. THE OBLIGATION OF THE CITY TO MAKE SUCH PAYMENTS WILL NOT CONSTITUTE A DEBT OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUANCE OF THE SERIES 2014A BONDS NOR THE EXECUTION AND DELIVERY OF THE LEASE DIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO APPROPRIATE ANY MONEY TO PAY ANY RENTALS UNDER THE LEASE OR TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE CITY'S THEN CURRENT FISCAL YEAR OR OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE CITY TO THE EXTENT PROVIDED IN THE LEASE) TO PAY ANY RENTALS DUE TO THE ISSUER UNDER THE TERMS OF THE LEASE. NO PERSON EXECUTING THE SERIES 2014A BONDS OR THE LEASE SHALL BE SUBJECT TO PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2014A BONDS OR THE EXECUTION OF THE LEASE.

Section 5. Authorization to Execute and Deliver Operative Agreements; Sale of Bonds.

(a) The forms, terms and provisions of each of the Operative Agreements are each hereby approved in substantially the forms presented at this meeting and attached hereto, with such insertions, omissions and changes as shall be approved by the Issuer as provided in the Bond Resolution and, to the extent that the City is a party to any such document, the Mayor, the execution of such documents by the Issuer and Mayor being conclusive evidence of such approval. The appropriate officers of the Issuer are hereby authorized and directed to execute, attest and countersign the First Supplement and each of the other Operative Agreements to which the Issuer is a party and to affix or imprint the seal of the Issuer thereon. The Mayor is hereby authorized and directed to execute and the City Recorder to attest and countersign the First Amendment and each of the other Operative Agreements to which the City is a party, and the City Recorder is hereby authorized and directed to affix or imprint thereon the seal of the City.

(b) The sale of the Bonds to the Underwriter pursuant to the terms and provisions of the Purchase Contract attached hereto is hereby approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver and the City Recorder to attest and countersign the Purchase Contract evidencing such approval of the City.

(c) The sale of the Series 2014A Bonds to the Underwriter at a price of \$~~_____~~7,380,403.00 (representing the par amount of the Series 2014A Bonds; plus net original issue premium of \$~~_____~~319,104.25, less an Underwriter's Discount of \$~~_____~~33,701.25) is hereby approved.

Section 6. Distribution of the Preliminary and Final Official Statements. Distribution of the Preliminary Official Statement in the form attached hereto is hereby ratified and approved,

and a final Official Statement containing such changes, omissions, insertions, deletions and variations from the Preliminary Official Statement as the President or Vice President of the Issuer shall deem advisable is hereby approved; *provided, however*, that the approval made above to the Issuer's amending or supplementing the text of the Preliminary Official Statement does not apply to the information with respect to the City contained in the Preliminary Official Statement.

Section 7. Other Actions with Respect to the Series 2014A Bonds and the First Supplement and First Amendment. The officers and employees of the City shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2014A Bonds and the execution and delivery of the Operative Agreements and the Purchase Contract, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2014A Bonds and the execution and delivery of the First Supplement. If the Mayor or the City Recorder shall be unavailable to execute, countersign or attest (as applicable), any of the Operative Agreements, the Purchase Contract and/or the other documents that they are hereby authorized to execute, countersign and attest, the same may be executed, countersigned and attested (as applicable) by the Deputy Mayor or any Deputy City Recorder, respectively.

Section 8. Arbitrage Covenant; Covenant to Maintain Tax Exemption. (a) The Mayor of the City, the City Treasurer (or the Deputy City Treasurer or acting City Treasurer) and the City Recorder are each hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Series 2014A Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations, (ii) the Series 2014A 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 City contained in this Section 7 will be complied with and (v) interest on the Series 2014A 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 City further covenants and agrees to and for the benefit of the purchasers and owners from time to time of the Series 2014A 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, 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 Series 2014A 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 Series 2014A Bonds, or any funds or accounts of the Issuer that may be deemed to be proceeds of the Series 2014A 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 Series 2014A Bonds, would have caused the Series 2014A 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 Series 2014A 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 Series 2014A Bonds and ending fifteen (15) days following the delivery of the Series 2014A Bonds, other than the Series 2014A Bonds;

(vi) it will not take any action that would cause interest on the Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A 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 Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A Bonds as provided in Section 103 of the Code; and

(vii) 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 Series 2014A Bonds, under present rules, the Issuer may be treated as a “taxpayer” in such examination and agrees that it will cooperate with the Issuer in responding in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Section 9. 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 (the “*Continuing Disclosure Agreement*”) in substantially the form attached hereto as *Exhibit G* and attached as *Appendix E* to the Preliminary Official Statement, 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 City as herein provided, the Continuing Disclosure Agreement will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City 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 Resolution, the sole remedies for failure to comply with the Continuing Disclosure Agreement shall be the ability of the beneficial owner of any Series 2014A Bond to seek mandamus or specific performance by

court order, to cause the City to comply with its obligations under the Continuing Disclosure Agreement.

Section 10. Approval of Appointment of Trustee. The City hereby approves the appointment of U.S. Bank National Association, Salt Lake City, Utah, as Trustee, Bond Registrar and Paying Agent under the Indenture.

Section 11. Filing of Resolution. The City Recorder is hereby authorized and directed to file a certified copy of this Resolution in the records of the Issuer promptly following the adoption hereof.

Section 12. Resolution Irrepealable. After any of the Series 2014A Bonds are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Series 2014A Bonds and interest thereon shall have been fully paid, canceled and discharged.

Section 13. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution; *provided, however*, that nothing in this Section shall be construed to amend or modify the limitations provided in Section 4 hereof.

Section 14. Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 15. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

(Signature page follows.)

ADOPTED AND APPROVED by the City Council of Salt Lake City, Utah, this 4th day of March, 2014.

SALT LAKE CITY, UTAH

By _____
Chair
Salt Lake City Council

[SEAL]

ATTEST:

By _____
City Recorder

Approval:

By _____
Mayor

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT A

[ATTACH FORM OF FIRST AMENDMENT TO MASTER LEASE AGREEMENT]

EXHIBIT B

[ATTACH FORM OF CONSTRUCTION AGENCY AGREEMENT]

EXHIBIT C

[ATTACH FORM OF FIRST SUPPLEMENTAL INDENTURE OF TRUST]

EXHIBIT D

[ATTACH FORM OF PURCHASE CONTRACT]

EXHIBIT E

[ATTACH FORM OF BOND RESOLUTION OF THE ISSUER]

EXHIBIT F

[ATTACH FORM OF OFFICIAL STATEMENT]

EXHIBIT G

[ATTACH FORM OF CONTINUING DISCLOSURE AGREEMENT]

\$ ~~_____~~ 7,095,000
Local Building Authority of Salt Lake City, Utah
Lease Revenue Bonds
Series 2014A

PURCHASE CONTRACT

Local Building Authority of
Salt Lake City, Utah

Salt Lake City, Utah

March ~~4~~, 2014

Ladies and Gentlemen:

The undersigned George K. Baum & Company (the “*Underwriter*”), acting on behalf of itself and not as fiduciary or agent for you, offers to enter into this Purchase Contract with the Local Building Authority of Salt Lake City, Utah (the “*Issuer*”) and the Salt Lake City, Utah (the “*City*”) which, upon the acceptance by the Issuer and approval by the City of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon each of you and the Underwriter.

This offer is made subject to your mutual acceptance and approval on or before 11:59 p.m., Utah time, on March ~~4~~, 2014. Terms not otherwise defined herein shall have the same meanings as are set forth in the Preliminary Official Statement referred to hereinafter.

ARTICLE I

SALE, PURCHASE AND DELIVERY

Section 1.1. On the basis of the representations, warranties and agreements contained herein and upon the terms and conditions herein set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to sell to the Underwriter, the \$ ~~_____~~ 7,095,000 aggregate principal amount of the Issuer’s Lease Revenue Bonds, Series 2014A (the “*Bonds*”), at a purchase price of \$ ~~_____~~ 7,380,403.00 (representing the principal amount of the Bonds, ~~{plus/less}~~ ~~{ net}~~ original issue ~~{premium/discount}~~ of \$ ~~_____~~ 319,104.25, less an underwriting discount of \$ ~~_____~~ 33,701.25). The Bonds will be dated their date of issuance, will mature on the dates and will bear interest at the rates per annum as set forth in *Schedule I* hereto and will be subject to redemption as provided in the hereinafter defined

Indenture. The Bonds are described in the Preliminary Official Statement dated February ~~20~~21, 2014 (together with all appendices thereto, the “*Preliminary Official Statement*”) and shall be issued and secured under and pursuant to the Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Original Indenture*”), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*”) and, together with the Original Indenture, the “*Indenture*”), each between the Issuer and U.S. Bank National Association, as trustee (the “*Trustee*”), in the form heretofore delivered to the Underwriter with only such changes as shall be agreed upon among us. The Bonds are payable from certain Base Rentals to be paid by the City pursuant to a Master Lease Agreement, dated as of June 1, 2013 (the “*Master Lease*”), as amended by a First Amendment to Master Lease, dated as of March 1, 2014 (the “*First Amendment*”) and, together with the Master Lease, the “*Lease*”), each between the Issuer and the City. The Bonds are authorized pursuant to the resolutions of the Issuer (collectively, the “*Bond Resolution*”) adopted by its Board of Directors on November 12, 2013 and ~~March 4~~March 4, 2014, and approved pursuant to the resolution of the City Council (the “*Approval Resolution*”) adopted on November 12, 2013 and ~~March 4~~March 4, 2014.

The Indenture, the Lease and the Continuing Disclosure Agreement (defined below) are sometimes referred to collectively herein as the “*Transaction Documents*”.

The Bonds are being issued for the purpose of (i) financing certain costs of acquiring, constructing and improving a new approximately 19,000 square foot library in the Marmalade neighborhood, as more fully described in the Preliminary Official Statement (the “*Project*”), (ii) providing capitalized interest on the Bonds and (iii) paying costs of issuance of the Bonds.

Pursuant to and subject to the terms of this Purchase Contract, all but not less than all of the Bonds shall be sold to the Underwriter, and the Underwriter shall be obligated to purchase all of the Bonds, if any are purchased, and the aggregate principal amount of the Bonds shall be delivered and accepted and paid for by the Underwriter on the Closing Date.

Section 1.2. The Underwriter agrees to make a public offering of the Bonds at the initial offering prices or yields set forth on the cover page of the Official Statement referred to hereinafter. The Underwriter may, however, change such initial offering prices or yields as it may deem necessary in connection with the marketing of the Bonds and offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth on the cover page of the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market and (b) to discontinue such stabilizing, if commenced, at any time without prior notice.

Section 1.3. (a) As soon as practicable following the Issuer’s acceptance and the City’s approval hereof, the Issuer shall deliver or cause to be delivered to the Underwriter one copy of the Official Statement relating to the Bonds, dated the date hereof (together with all appendices thereto, the “*Official Statement*”), substantially in the same form as the Preliminary Official Statement with only such changes therein as shall have been accepted by the Underwriter, signed

on behalf of the Issuer by its President or Vice President. The Issuer and the City agree to provide to the Underwriter within seven business days of the date hereof and in sufficient time to accompany confirmations that request payment from customers, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission ("*Rule 15c2-12*") under the Securities Exchange Act of 1934, as amended, and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

(b) By acceptance and approval of this Purchase Contract, the Issuer and the City hereby authorize the use of copies of the Official Statement and each of the Transaction Documents in connection with the public offering and sale of the Bonds. The Issuer and the City also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer hereby confirms that it heretofore has "deemed final" the Preliminary Official Statement as of its date for purposes of paragraph (b)(1) of Rule 15c2-12, except for the omission of only such material as is permitted by such paragraph.

Section 1.4. In order to enable the Underwriter to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 in connection with the offering of the Bonds, the City covenants and agrees with the Underwriter that it will execute and deliver its Continuing Disclosure Agreement with respect to the Bonds in substantially the form attached as *Appendix E* to the Preliminary Official Statement (the "*Continuing Disclosure Agreement*") on or before the Closing Date.

Section 1.5. At 9:~~00~~30 a.m., Utah time, on ~~March 20,~~March 20, 2014 or on such later date as shall be agreed upon in writing by the Issuer, the City and the Underwriter (such time and date being herein referred to as the "*Closing*" or the "*Closing Date*"), the Issuer shall direct the Trustee to deliver the Bonds to The Depository Trust Company ("*DTC*") for the account of the Underwriter in definitive form, duly executed and authenticated, and shall deliver to the Underwriter the other documents herein mentioned at the offices of Chapman and Cutler LLP ("*Bond Counsel*"), 201 South Main Street, Suite 2000, Salt Lake City, Utah 84111, or such other location as may be mutually agreed upon by the Issuer, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1.1 hereof in immediately available funds by federal funds check or wire transfer to the order of the Trustee for the account of the Issuer. The Bonds shall be issued in the form of one fully registered bond certificate for each stated maturity of the Bonds, shall be registered in the name of Cede & Co., as nominee for DTC and shall be made available to DTC for the account of the Underwriter, at least one full business day before the closing for purposes of inspection and packaging.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE ISSUER

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

Section 2.1. The Issuer is a nonprofit corporation incorporated, organized and existing pursuant to the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code annotated 1953, as amended, and a public entity and an instrumentality of the State of Utah pursuant to the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, with full legal right, power and authority (a) to execute, deliver and perform its obligations under this Purchase Contract; (b) to execute, deliver and perform its obligations under each of the Transaction Documents to which it is a party; (c) to issue, sell and deliver the Bonds to the Underwriter for the purposes contemplated by the Preliminary Official Statement and as provided herein; (d) to own, acquire, construct and equip the Project and to lease the Project to the City pursuant to the Lease; and (e) to carry out and to consummate the transactions on its part contained in this Purchase Contract, the Transaction Documents and the Official Statement, to pledge and assign to the Trustee the Trust Estate (as defined in the Indenture), including certain of its rights under the Lease and with respect to the Project and to mortgage the Project to secure the payment of the Bonds pursuant to the Indenture.

Section 2.2. When executed by the respective parties thereto, this Purchase Contract and each of the Transaction Documents to which the Issuer is a party will constitute legal, valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms (except as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights and by the availability of equitable remedies).

Section 2.3. The information and statements relating to the Issuer contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading; and the information and statements relating to the Issuer contained in the Official Statement, as of its date and as of the Closing Date, are and will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading.

Section 2.4. The Issuer has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Transaction Documents and this Purchase Contract and any and all other agreements relating thereto.

Section 2.5. By official action of the Issuer on or prior to the date hereof, the Issuer has duly adopted the Bond Resolution, has duly authorized and approved the execution and distribution of the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Transaction Documents and this Purchase Contract.

Section 2.6. The Issuer is not in material breach of or material default under any applicable law or administrative regulation of the State of Utah or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or to which it or any of its property is otherwise subject; and the execution and delivery of the Bonds, the Transaction Documents and this Purchase Contract, and compliance with the provisions of each thereof, will not materially conflict with or constitute a material breach of or material default under the Issuer's Articles of Incorporation or Bylaws or any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Issuer is a party or to which it or any of its property is otherwise subject.

Section 2.7. Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction over the Issuer, which would constitute conditions precedent to the performance by the Issuer of its obligations hereunder and under the Transaction Documents to which the Issuer is a party and the Bonds have been obtained.

Section 2.8. No litigation, with merit, in the State of Utah or federal court has been served on the Issuer or is threatened: (a) affecting the existence of the Issuer or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the revenues or assets of the Issuer mortgaged, appropriated, encumbered or pledged pursuant to the Indenture or the Lease, (c) in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or any of the Transaction Documents or the transactions contemplated thereby, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or (e) contesting the powers of the Issuer or any authority for the issuance of the Bonds or the execution and delivery of this Purchase Contract or any of the Transaction Documents to which the Issuer is a party.

Section 2.9. The Issuer agrees reasonably to cooperate with the Underwriter in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request; *provided, however*, that the Issuer shall not be required with respect to the offer or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Issuer hereby consents to the use of the Official Statement and the Transaction Documents by the Underwriter in obtaining such qualification.

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

Section 2.11. The Issuer is not, nor has it been at any time, in default in the payment of principal of or interest on any obligations issued by the Issuer.

Section 2.12. No default or event of default has occurred and is continuing with respect to the Issuer, and no such event has occurred and is continuing which with the lapse of time, the giving of notice or both would constitute a default by the Issuer or an event of default under any of the Transaction Documents.

Section 2.13. Any certificate signed by an authorized officer of the Issuer and delivered to the Underwriter or the Trustee at or prior to the Closing shall be deemed a representation and warranty by the Issuer in connection with this Purchase Contract to the Underwriter or the Trustee (as the case may be) as to the statements made therein upon which the Underwriter and the Trustee shall be entitled to rely. The Issuer covenants that between the date hereof and the Closing Date, it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing Date.

Section 2.14. If at any time from the date of this Purchase Contract through 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is 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 Purchase Contract, 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 Purchase Contract by notification to the Issuer and 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.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE CITY

In order to induce the Underwriter to enter into this Purchase Contract, with full realization and appreciation of the fact that the investment value of the Bonds and the ability of the Issuer to sell and the Underwriter to resell the Bonds are dependent upon the credit standing

of the City, and in consideration of the foregoing and execution and delivery of this Purchase Contract, the City represents and warrants to and covenants with the Underwriter as follows:

Section 3.1. The City is a validly organized and existing municipality and public body corporate and politic under the laws of the State of Utah with full power and authority to execute, deliver and perform its obligations under this Purchase Contract and the Transaction Documents, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

Section 3.2. The execution and delivery of each of the Transaction Documents to which the City is a party and the approval by the City of this Purchase Contract, compliance by the City with the provisions of any or all of the foregoing documents and the application of the proceeds of the Bonds for the purposes described in the Preliminary Official Statement do not and will not materially conflict with or result in the material breach of any of the terms, conditions or provisions of, or constitute a material default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the City is a party or by which the City or any of its property is or may be bound.

Section 3.3. The City has duly authorized all necessary action to be taken by it for (a) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement and in the Indenture and the approval of this Purchase Contract; and (b) the execution, delivery and receipt of this Purchase Contract, each of the Transaction Documents to which the City is a party and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the City in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the excludability from gross income for federal income tax purposes of interest on the Bonds.

Section 3.4. When executed by the respective parties thereto, this Purchase Contract and the Transaction Documents to which the City is a party will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms (except as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights and by the availability of equitable remedies).

Section 3.5. The City has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Transaction Documents and this Purchase Contract and any and all other agreements relating thereto.

Section 3.6. No litigation, with merit, in the State of Utah or federal court has been served on the City or is threatened: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the revenues or assets of the City appropriated or pledged or to be appropriated or pledged to pay the Rentals payable under the Lease or the pledge or appropriation thereof, (c) in any way affecting or contesting the validity or enforceability of the Bonds, this Purchase Contract or any of the Transaction Documents, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or

(e) contesting the powers of the City or any authority for the issuance of the Bonds or the execution and delivery of this Purchase Contract or any of the Transaction Documents or the transactions contemplated thereby.

Section 3.7. The City is not in material breach of or material default under any applicable law or administrative regulation of the State of Utah or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the City is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Purchase Contract, the Bonds and the Transaction Documents, and compliance with the provisions of each thereof, will not materially conflict with or constitute a material breach of or material default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the City is a party or to which it or any of its property is otherwise subject.

Section 3.8. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the Transaction Documents to which the City is a party in any manner or to any extent which could have a material adverse effect on the financial condition of the City, the operation of the City, the acquisition, construction and operation of the Project or the transactions contemplated by this Purchase Contract and the Preliminary Official Statement, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or any of the Transaction Documents to which the City is a party or in any way adversely affect the existence or powers of the City or the excludability from gross income for federal income tax purposes of interest on the Bonds.

Section 3.9. The City's audited financial statements as of, and for the year ended, June 30, 2012, copies of which have heretofore been delivered to the Underwriters, present fairly the financial position of the City at June 30, 2013, and the results of its operations and changes in financial position for the year then ended; any other statements and data submitted in writing by the City to the Underwriter in connection with the Transaction Documents and this Purchase Contract are true and correct in all material respects as of their respective dates; except as disclosed in the Preliminary Official Statement, since June 30, 2013, there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in the audited financial statements as of and for the year ended that date; and the City has not since June 30, 201[3], incurred any material liabilities, directly or indirectly, except as disclosed in the Preliminary Official Statement.

Section 3.10. The information contained in the Preliminary Official Statement relating to the City, the application of the proceeds of sale of the Bonds, and the participation by the City in the transactions contemplated by the Transaction Documents, this Purchase Contract and the Preliminary Official Statement was, as of its date, and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact relating to the City, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a

material fact relating to the City required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Section 3.11. The City will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or result in such proceeds being applied in a manner inconsistent with the Lease and the Indenture.

Section 3.12. The City hereby authorizes the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offering and sale of the Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Bonds.

Section 3.13. The City agrees to cooperate with the Underwriter in any endeavor to qualify the Bonds for offering and sale under the securities or “blue sky” laws of such jurisdictions of the United States as the Underwriter may request; *provided, however*, that the City shall not be required with respect to the offer or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The City hereby consents to the use of the Official Statement and the Transaction Documents by the Underwriter in obtaining such qualification.

Section 3.14. If at any time from the date of this Purchase Contract through 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances 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 request that the Issuer 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 Purchase Contract, and if the Official Statement is amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Contract by notification to the City and the Issuer at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

Section 3.15. Except as described in the Preliminary Official Statement, the City has not, in the previous five years, failed to comply in any material respect with any undertaking entered into by it pursuant to paragraph (b)(5) of Rule 15c2-12.

Section 3.16. Each representation, warranty or agreement stated in any certificate signed by any officer of the City and delivered to the Underwriter or the Trustee at or before the Closing shall constitute a representation, warranty or agreement by the City upon which the Underwriter and the Trustee shall be entitled to rely.

ARTICLE IV

UNDERWRITER'S CONDITIONS

Section 4.1. The Underwriter has entered into this Purchase Contract in reliance upon the performance by the Issuer and the City of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing, (1) the Official Statement, the Transaction Documents and this Purchase Contract shall be duly authorized, executed and delivered by the parties thereto, shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, (2) the proceeds of sale of the Bonds shall be paid to the Trustee for deposit in accordance with the Lease and the Indenture and (3) the Issuer and the City shall each have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary to authorize the transactions contemplated hereby;

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

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

(2) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of the Underwriter, has the effect of requiring the offer or sale of the Bonds or the Lease to be registered under the Securities Act of 1933, as amended (the "*Securities Act*"), or any other "security," as defined in the Securities Act, issued in connection with or

as part of the issuance of the Bonds to be so registered or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended, or any person to be registered as an investment company under the Investment Company Act of 1940, as amended; or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes or has made untrue or incorrect in any respect any statement or information contained in the Official Statement or is not or was not reflected in the Official Statement but was required to be stated therein or should have been stated therein in order to make the statements or information contained therein not misleading in any material respect;

(3) in the reasonable judgment of the Underwriter, it is impractical or inadvisable for the Underwriter to market or sell or enforce agreements to sell Bonds because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or a general banking moratorium shall have been established by federal, New York or Utah authorities, (B) the State of Utah shall have taken any action, whether administrative, legislative, judicial or otherwise, which would have a material adverse effect on the marketing or sale of the Bonds, including any action relating to (i) the tax-exempt status under Utah law of the interest to be received by any owner of the Bonds or (ii) a limitation on the ability of the City to levy ad valorem property taxes to pay Rentals under the Lease or (C) a war involving the United States or other national calamity shall have occurred; or

(4) any litigation shall be pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, any of the proceedings of the City, the Issuer or the Trustee taken with respect to the issuance or sale thereof, the pledge, appropriation or application of any moneys or securities provided for the payment of the Bonds or the existence or powers of the City, the Issuer or the Trustee;

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

(1) the approving opinion of Bond Counsel, dated the Closing Date, in substantially the form attached as *Appendix F* to the Official Statement;

(2) the opinion of counsel to the City, dated the Closing Date and addressed to the Underwriter and Bond Counsel, in form and substance satisfactory to the Underwriter;

(3) the opinion of counsel to the Issuer, dated the Closing Date and addressed to the Underwriter and Bond Counsel, in form and substance satisfactory to the Underwriter;

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

(5) an executed counterpart of the Continuing Disclosure Agreement of the City;

(6) the Issuer's certificate, dated the Closing Date, signed by its President and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the Issuer herein and in the Lease are true and correct in all material respects as of the Closing Date; (B) to the best of the Issuer's knowledge, after due inquiry, no litigation, with merit, in the State of Utah or federal court has been served on the Issuer or is threatened (i) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of revenues pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Bonds, the validity of the Bonds, the Transaction Documents to which the Issuer is a party or this Purchase Contract or the excludability from gross income for federal income tax purposes of interest on the Bonds or (iii) in any way contesting the organization, existence or powers of the Issuer; (C) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (D) the Transaction Documents to which the Issuer is a party have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents constitute binding agreements of the Issuer enforceable in accordance with their respective terms except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies; (E) the Bond Resolution and the other resolutions of the Issuer authorizing the execution and delivery of the Transaction Documents and the Bonds have been duly adopted and have not been modified, amended or repealed; and (F) the execution and delivery of this Purchase Contract, the Bonds, the Transaction Documents to which the Issuer is a party and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or any law, public administrative rule or regulation, court order or consent decree to which the Issuer is subject;

(7) the City's certificate, signed by the Mayor, the City Recorder and the City Treasurer, dated the Closing Date, to the effect that (A) since June 30, 201[3], the City has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, results of operation or condition of the City that is not described in the Official Statement,

whether or not arising from transactions in the ordinary course of business; (B) to the best of the City's knowledge, after due inquiry, no litigation, with merit, in the State of Utah or federal courts has been served on the City or is threatened (i) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds, any of the Transaction Documents to which the City is a party or this Purchase Contract or the excludability from gross income for federal income tax purposes of interest on the Bonds or (ii) in any way contesting the powers or organization of the City; (C) the descriptions and information contained in the Official Statement relating to the City, its organization and financial and other affairs, and the application of the proceeds of sale of the Bonds are correct in all material respects, as of the date of the Official Statement and as of the Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of the Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) at the time of the Closing, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under any of the Transaction Documents to which the City is a party, or any other material agreement or material instrument to which the City is a party or by which it is or may be bound; (F) the Approval Resolution and the other resolutions of the City approving the execution of the Transaction Documents to which the City is a party and the Official Statement and the form of the Bonds has been duly adopted by the City and has not been modified, amended or repealed; (G) no event affecting the City has occurred since the date of the Official Statement that (i) either makes untrue or incorrect, as of the Closing Date, any statement or information relating to the same and contained in the Official Statement as required to be disclosed therein or (ii) was required to be stated in the Official Statement or should be stated therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading; and (H) the representations of the City herein and in the Lease are true and correct in all material respects as of the Closing Date;

(8) an executed copy of each of the Transaction Documents, duly executed by each of the parties thereto;

(9) an executed copy of the Tax Exemption Certificate and Agreement of the Issuer and the City, in form and substance satisfactory to Bond Counsel;

(10) a certified copy of the Approval Resolution of the City;

(11) a certified copy of the Bond Resolution of the Board of Directors of the Issuer;

(12) evidence satisfactory to the Underwriter that the Bonds have received ratings of “AA+” by Fitch Ratings Inc. (“*Fitch*”) and “Aa1” by Moody’s Investors Service, Inc. (“*Moody’s*”), which ratings shall not have been suspended or revoked;

(13) an executed copy of the Official Statement executed on behalf of the Issuer by the President of its Board of Directors;

(14) a specimen Bond;

(15) a copy of each of the documents required to be delivered pursuant to the Indenture with respect to the issuance of the Bonds;

(16) an executed copy of the Blanket Letter of Representations of the Issuer and DTC relating to the book-entry system for the Bonds;

(17) evidence satisfactory to the Underwriter of the issuance, delivery and payment for the Bonds;

(18) a copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G and evidence of the filing thereof; and

(19) such additional legal opinions, certificates, instruments and other documents as the Underwriter and Bond Counsel may reasonably require.

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

ARTICLE V

EXPENSES

All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, the execution and delivery of the Transaction Documents, including the costs of printing the Bonds, advertising costs, the costs of printing, duplicating and mailing the Preliminary Official Statement and the Official Statement, the fees of rating agencies, the initial fees of the Trustee in connection with the issuance of the Bonds, the fees and expenses of the financial advisor for the Issuer and the City, the fees and expenses of Bond Counsel, disclosure counsel, Underwriter’s counsel and counsel for the Issuer and the City, costs of title insurance, and travel and other expenses shall be paid by or on behalf of the City and the Issuer from the proceeds of sale of the Bonds. All out-of-pocket expenses of the Underwriter shall be paid by the Underwriter.

ARTICLE VI

ETHICAL REPRESENTATIONS

The Underwriter represents that it has not: (a) provided an illegal gift or payoff to an officer or employee of the Issuer or the City or former officer or employee of the Issuer or the City, 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, an officer or employee of the Issuer or the City or former officer or employee of the Issuer or the City to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

ARTICLE VII

GENERAL

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to George K. Baum & Company, 25 West South Temple, Suite 1090, Salt Lake City, Utah 84101. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to the Local Building Authority of Salt Lake City, Utah, 451 South State Street, Room 415, Salt Lake City, Utah 84111, Attention: Secretary/Clerk. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to Salt Lake City, Utah, 451 South State Street, Room 415, Salt Lake City, Utah 84111, Attention: Cindi Mansell. The approval or other action or exercise of judgment by the Underwriter shall be evidenced by a writing signed on behalf of the Underwriter and delivered to the Issuer.

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

The Issuer and the City acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction among the Issuer, the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer or the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer or 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 Issuer or the City on other matters) and the Underwriter has no obligation to the Issuer or the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and (v) the Issuer and the City consulted their own legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

This Purchase Contract shall be governed by the laws of the State of Utah.

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

This Purchase Contract shall become effective upon the acceptance hereof by the Issuer and the approval hereof by the City.

(Signature page follows.)

Very truly yours,

GEORGE K. BAUM & COMPANY

By _____
Its _____

LOCAL BUILDING AUTHORITY OF SALT LAKE
CITY, UTAH

By _____
President

APPROVED:

SALT LAKE CITY, UTAH

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder

[SEAL]

APPROVED AS TO FORM:

By _____
Senior City Attorney

SCHEDULE I

\$ ~~_____~~ 7,095,000
 Local Building Authority of Salt Lake City, Utah
 Lease Revenue Bonds
 Series 2014A

<u>MATURITY DATE</u> <u>(APRIL 15)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
	\$	%

<u>†</u> <u>MATURITY DATE</u> <u>(APRIL 15)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
<u>2016</u>	<u>\$ 245,000</u>	<u>2.000%</u>
<u>2017</u>	<u>250,000</u>	<u>2.000</u>
<u>2018</u>	<u>255,000</u>	<u>3.000</u>
<u>2019</u>	<u>265,000</u>	<u>3.000</u>
<u>2020</u>	<u>270,000</u>	<u>3.000</u>
<u>2021</u>	<u>280,000</u>	<u>5.000</u>
<u>2022</u>	<u>295,000</u>	<u>5.000</u>
<u>2023</u>	<u>310,000</u>	<u>5.000</u>
<u>2024</u>	<u>325,000</u>	<u>5.000</u>
<u>2025</u>	<u>340,000</u>	<u>5.000</u>
<u>2026</u>	<u>360,000</u>	<u>5.000</u>
<u>2027</u>	<u>375,000</u>	<u>3.250</u>
<u>2028</u>	<u>390,000</u>	<u>3.250</u>
<u>2029</u>	<u>400,000</u>	<u>3.500</u>
<u>2030</u>	<u>415,000</u>	<u>3.500</u>
<u>2031</u>	<u>430,000</u>	<u>3.625</u>
<u>2035</u>	<u>1,890,000</u>	<u>4.000</u>

The Bonds maturing on April 15, ~~_____~~ 2035, are subject to mandatory sinking fund redemption prior to their stated maturity, in part, by lot in such manner as the Trustee shall

determine to be fair and equitable, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the redemption date, but without premium, on the dates and in the principal amounts set forth below:

SINKING FUND REDEMPTION DATE (APRIL 15)	SINKING FUND REDEMPTION AMOUNT
	\$
*	
<u>SINKING FUND REDEMPTION DATE (APRIL 15)</u>	<u>SINKING FUND REDEMPTION AMOUNT</u>
<u>2032</u>	<u>\$445,000</u>
<u>2033</u>	<u>465,000</u>
<u>2034</u>	<u>480,000</u>
<u>2035*</u>	<u>500,000</u>

* Stated Maturity.†

Resolution No. __ of 2014

A Resolution authorizing the issuance and approving the sale of Lease Revenue Bonds, Series 2014A, in the aggregate principal amount of \$~~_____~~7,095,000; authorizing the execution and delivery of a First Supplemental Indenture of Trust, a First Amendment to Master Lease Agreement, a Construction Agency Agreement, a Tax Certificate, a Purchase Contract, a Preliminary Official Statement, a Continuing Disclosure Agreement and other agreements and documents required in connection therewith; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution.

WHEREAS, the Local Building Authority of Salt Lake City, Utah (the “*Issuer*”), has been duly organized as a Utah nonprofit corporation by Salt Lake City, Utah (the “*City*”), solely for the purpose of (a) accomplishing the public purposes for which the City exists by acquiring, constructing, improving or extending any improvements, facilities or properties (whether real or personal) and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, and (b) financing the costs of such projects on behalf of the City in accordance with the procedures and subject to the limitations of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “*Act*”), and other applicable Utah law;

WHEREAS, the Act provides that the Issuer may issue and sell its bonds for the purpose of paying the costs of acquiring, constructing, improving or extending a project (as such term is defined in the Act), and such bonds shall be secured by a pledge and assignment of the revenues received by the Issuer under the lease agreement with respect to the project financed or refinanced with the proceeds of the sale of such bonds and may be secured by (a) a mortgage covering all or any part of such project, (b) a pledge and assignment of the lease agreement for that project, (c) moneys held in reserve funds or (d) any other security devices with respect to the project as may be deemed most advantageous by the Issuer;

WHEREAS, pursuant to the provisions of Act, the Issuer has authority to accomplish the public purposes for which the City exists by acquiring, constructing, improving or extending any improvements, facilities or properties and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, and financing the costs of such projects on behalf of the City in accordance with the procedures and subject to the limitations of the Act;

WHEREAS, the City desires that the Issuer, on behalf of the City, (a) undertake the acquisition, construction and improvement of a new approximately 19,000 square foot library in the Marmalade neighborhood (the “*Marmalade Facilities*”), on land owned by the Issuer (the “*Marmalade Site*”), (b) provide capitalized interest to pay the portion of the interest accruing on the Series 2014A Bonds (defined below) during the acquisition, construction and improvement

of the Marmalade Facilities and (c) pay costs relating to the issuance and sale of the Series 2014A Bonds;

WHEREAS, the Issuer and the City will enter into a First Amendment to Master Lease Agreement, dated as of March 1, 2014 (the "*First Amendment*"), to that certain Master Lease Agreement, dated as of June 1, 2013 (the "*Master Lease*" and, together with the First Amendment, the "*Lease*"), a substantially final form of which is attached hereto as *Exhibit A*, pursuant to which the Issuer has agreed (a) to Acquire or to cause the Acquisition (as such terms are defined in the Lease) of the Marmalade Facilities (the "*Project*") and (b) to lease the Marmalade Facilities to the City, all on the terms and conditions set forth therein;

WHEREAS, the City will agree, as agent of the Issuer pursuant to that certain Construction Agency Agreement (Marmalade Project), dated as of March 1, 2014 ("*Construction Agency Agreement*"), the form of which is attached hereto as *Exhibit B*, to construct or to cause the construction of the Project as provided therein and in the Lease;

WHEREAS, pursuant to and in accordance with the provisions of the Act and the Indenture (defined below), the Issuer has determined that it is in the best interest of the Issuer and the City (a) to issue its \$~~7,095,000~~7,095,000 aggregate principal amount of Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A (the "*Series 2014A Bonds*") pursuant to this Resolution and an Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the "*Original Indenture*"), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the "*First Supplement*" and, together with the Original Indenture, the "*Indenture*"), each between the Issuer and U.S. Bank National Association, as trustee (the "*Trustee*"), the form of which is attached hereto as *Exhibit C*, to provide funds for the purpose of (i) paying a portion of the costs of Acquiring the Project as provided in the Lease, (ii) providing capitalized interest to pay the portion of interest accruing on the Series 2014A Bonds during the period of Acquisition of the Project and for a reasonable period thereafter not exceeding 12 months as permitted by the Act and (iii) paying costs of issuance relating to the issuance, sale and delivery of the Series 2014A Bonds, and (b) to lease the Leased Property (as defined in the First Amendment) to the City in consideration of certain Base Rentals (as defined in the First Amendment) and Additional Rentals (as defined in the First Amendment) to be paid as provided in the First Amendment, which will be sufficient (so long as the City extends the term of the Lease for each successive one-year renewal term) to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and certain other costs and expenses as provided in the First Amendment;

WHEREAS, the Issuer desires to provide for continuous compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes by entering into such tax certificates and other agreements and certificates for such purposes as directed by bond counsel for the issuance of the Series 2014A Bonds;

WHEREAS, the Issuer has negotiated for the sale of the Series 2014A Bonds to George K. Baum & Company, as underwriter (the "*Underwriter*"), pursuant to that certain Purchase

Contract, dated as of the date hereof (the “*Purchase Contract*”), attached hereto as *Exhibit D*, among the Issuer, the City and the Underwriter, and in the opinion of the Issuer it is in the best interests of the City and the Issuer that the offer of the Underwriter to purchase the Series 2014A Bonds as provided in the Purchase Contract be accepted and sale of the Series 2014A Bonds to the Underwriter be ratified and confirmed;

WHEREAS, the Secretary/Clerk of the Issuer has presented to the Board of Trustees of the Issuer (the “*Board of Trustees*”) at this meeting the proposed form of each of the following agreements: (a) the First Supplement; (b) the First Amendment; (c) the Construction Agency Agreement and (d) the Purchase Contract, in connection with the issuance of the Series 2014A Bonds and the financing of the construction of the Project on the Marmalade Site;

WHEREAS, the City by resolution previously adopted on the date hereof has approved the issuance of the Series 2014A Bonds and the terms thereof for purposes of Section 17D-2-502(1) of the Act; and

WHEREAS, no petition requesting an election with respect to the Series 2014A Bonds has been submitted to the City or the Issuer pursuant to Section 17D-2-502(2) of the Act or otherwise;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the Local Building Authority of Salt Lake City, Utah, as follows:

Section 1. Definitions. Certain words and phrases are defined in the preambles hereto. Unless otherwise defined herein, all words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Resolution. In addition, the following words and phrases as used in this Resolution shall have the following meanings unless the context clearly indicates another or different meaning or intent:

“*Operative Agreements*” shall mean, collectively, the First Amendment, the First Supplement, Construction Agency Agreement and the Purchase Contract.

“*State*” shall mean the State of Utah.

“*Tax Certificate*” shall mean any agreement or certificate of the Issuer and the City which the Issuer and the City may execute in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes.

Section 2. Issuance of the Series 2014A Bonds; Deposit of Proceeds. For the purpose of financing the Project, providing certain capitalized interest on the Series 2014A Bonds and paying the costs and expenses incidental thereto and to the issuance of the Series 2014A Bonds hereinafter described, a series of lease revenue bonds of the Issuer is hereby authorized to be issued pursuant to the Act and in accordance with and subject to the terms, conditions and limitations established in the Indenture and herein. Such series of bonds shall be designated “*Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A.*” The

proceeds of sale of the Series 2014A Bonds shall be deposited as provided in the Indenture and the Lease.

Section 3. Terms of the Series 2014A Bonds. (a) The Series 2014A Bonds shall be issued in the aggregate principal amount of \$~~7,095,000~~ pursuant hereto and to the Indenture. The Series 2014A Bonds shall be issuable only as fully-registered bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000, shall be dated as of their date of delivery, shall mature on April 15 of each year, shall be in the amounts and shall bear interest from the date of delivery payable on October 15, 2014, and thereafter semiannually on April 15 and October 15 of each year until paid as provided in the Indenture at the rates per annum, as shown below:

MATURITY DATE (APRIL 15)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

<u>MATURITY DATE</u> <u>(APRIL 15)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
<u>2016</u>	<u>\$ 245,000</u>	<u>2.000%</u>
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<u>2025</u>	<u>340,000</u>	<u>5.000</u>
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<u>2031</u>	<u>430,000</u>	<u>3.625</u>
<u>2035</u>	<u>1,890,000</u>	<u>4.000</u>

(b) The Series 2014A Bonds and the Trustee's certificate of authentication to be endorsed thereon shall be in substantially the forms set forth in the Indenture, which forms are hereby incorporated herein by this reference, and the provisions for the signatures, authentication, payment, places of payment, medium of payment, transfer, exchange, registration, number and other provisions thereof, to the extent not provided herein, shall be as set forth in the Indenture as finally executed and are hereby approved and hereby incorporated herein by this reference. The form of the Series 2014A Bonds submitted to this meeting as part of the Indenture is hereby approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Resolution in the aggregate principal amount herein provided, it shall represent the approved form of the Series 2014A Bonds of the Issuer.

(c) Upon the occurrence of an Event of Nonappropriation (as such term is defined in the Lease) or an Event of Default under the Lease or the Indenture, the Trustee shall be entitled to exercise such rights and remedies (including but not limited to the appointment of a receiver) as are provided in the Indenture or as are otherwise provided to the Issuer under the Act or other applicable law; *provided, however*, that no deficiency judgment upon foreclosure of the lien of the Indenture may be entered against the Issuer, the City, the State or any political subdivision of the State, except as otherwise expressly provided in the Indenture and as permitted by the Act.

Section 4. Execution of Series 2014A Bonds. The President of the Issuer (the "President") is hereby authorized and directed to execute, and the Secretary/Clerk of the Issuer (the "Secretary") is hereby authorized and directed to attest, the Series 2014A Bonds and each is hereby authorized and directed to deliver them to the Trustee for authentication pursuant to the Indenture. The corporate seal of the Issuer is hereby authorized and directed to be affixed to or imprinted on all Series 2014A Bonds.

Section 5. Redemption Provisions. The Series 2014A Bonds shall be subject to redemption as provided therein and in the Indenture.

Section 6. Limited Obligations. The Series 2014A Bonds, together with the interest and premium, if any, thereon, are not general obligations of the Issuer, but are limited obligations and, except for the security provided by the Indenture, all pursuant to Section 17D-2-505 of the Act, are payable solely out of Base Rentals received by the Trustee under the Lease and certain other amounts received under the Indenture. Nothing in this Resolution, the Indenture, or the Series 2014A Bonds shall be construed as requiring the State or any political subdivision of the State to pay any of the Series 2014A Bonds or to pay any of the premium (if any) or interest thereon or to appropriate any money to pay the same. Pursuant to the Act and the Indenture, the Series 2014A Bonds shall be secured by the Trust Estate which is specifically pledged, mortgaged, hypothecated, assigned and otherwise secured in the Indenture, subject to Permitted Encumbrances, all for the equal and ratable payment of the Series 2014A Bonds and any bonds hereafter issued on a parity with the Series 2014A Bonds under the Indenture and shall be used for no other purpose than to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and such additional parity bonds, except as may be otherwise expressly authorized in the Indenture. Neither the full faith and credit nor the taxing powers of the State or any political subdivision of the State is pledged to the payment of the principal of, or premium, if

any, or interest on, the Series 2014A Bonds or other costs appertaining thereto. The Series 2014A Bonds and the interest and premium, if any, thereon do not now and shall never constitute an indebtedness of the Issuer, the City, the State or any political subdivision of the State within the meaning of any State constitutional provision or limitation nor give rise to or be a general obligation or liability of nor a charge against the general credit or taxing powers of the State or any political subdivision of the State. No breach of any covenant or agreement in the Indenture or the Lease shall impose any general obligation or liability upon, nor a charge against, the City or the general credit or taxing power of the State or any of its political subdivisions. THE OBLIGATION OF THE CITY TO PAY BASE RENTALS AND OTHER AMOUNTS UNDER THE LEASE IS ANNUALLY RENEWABLE AS PROVIDED THEREIN. THE OBLIGATION OF THE CITY TO MAKE SUCH PAYMENTS WILL NOT CONSTITUTE A DEBT OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUANCE OF THE SERIES 2014A BONDS NOR THE EXECUTION AND DELIVERY OF THE LEASE DIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO APPROPRIATE ANY MONEY TO PAY ANY RENTALS UNDER THE LEASE OR TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE CITY'S THEN CURRENT FISCAL YEAR OR OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE CITY TO THE EXTENT PROVIDED IN THE LEASE) TO PAY ANY RENTALS DUE TO THE ISSUER UNDER THE TERMS OF THE LEASE. NO PERSON EXECUTING THE SERIES 2014A BONDS OR THE LEASE SHALL BE SUBJECT TO PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2014A BONDS OR THE EXECUTION OF THE LEASE.

Section 7. Sale of the Series 2014A Bonds. The sale of the Series 2014A Bonds to the Underwriter pursuant to the terms and provisions of the Purchase Contract at the price of \$~~_____~~7,380,403.00 (representing the par amount of the Series 2014A Bonds, plus net original issue premium of \$~~_____~~319,104.25 less an underwriter's discount of \$~~_____~~33,701.25), and bearing interest as set forth in Section 3 of this Resolution and as provided in the Indenture, is hereby authorized and approved.

The President is hereby authorized, empowered and directed to execute and deliver the Purchase Contract on behalf of the Issuer and to sell the Series 2014A Bonds to the Underwriter as aforesaid, which is hereby authorized and approved, with such changes therein as are not inconsistent with this Resolution and as are approved by the President, his execution thereof to constitute conclusive evidence of such approval.

The Series 2014A Bonds mature prior to the expiration of the estimated useful life of the Project.

Section 8. Approval of Operative Agreements. The forms, terms and provisions of the First Amendment, the Construction Agency Agreement and the First Supplement are each hereby approved in substantially the forms presented at this meeting and attached hereto as *Exhibits A, B and C*, respectively, with such insertions, omissions and changes as shall be approved by the President or other members of the Board of Directors executing the same, the execution of such documents being conclusive evidence of such approval; and the President is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest, each of such Operative Agreements and any related exhibits attached thereto, and the

Secretary is hereby authorized and directed to affix the corporate seal of the Issuer to each of such Operative Agreements.

Section 9. Final Official Statements; Official Statement Deemed Final. (a) The final Official Statement of the Issuer in substantially the form presented at this meeting and in the form of Preliminary Official Statement attached hereto as *Exhibit E*, with such changes, omissions, insertions and revisions as the President or Vice President shall deem advisable, is hereby authorized, and the President or Vice President shall execute and deliver such final Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2014A Bonds and other interested persons. The approval of the President or the Vice President of any such changes, omissions, insertions and revisions shall be conclusively established by the President's or Vice President's execution of the final Official Statement.

(b) The Issuer has previously deemed, and does hereby deem, final the Preliminary Official Statement, dated February ~~21~~, 2014, 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 Series 2014A Bonds. The preparation and distribution of the Preliminary Official Statement is hereby ratified, approved and confirmed. All 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 10. Other Actions with Respect to the Series 2014A Bonds and the Operative Agreements. The officers and employees of the Issuer shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2014A Bonds and the execution and delivery of each of the Operative Agreements, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2014A Bonds and the execution and delivery of the Operative Agreements. If the President or the Secretary shall be unavailable to execute or attest (as applicable) the Series 2014A Bonds, the Operative Agreements or the other documents that they are hereby authorized to execute and attest, the same may be executed and attested (as applicable) by any other member of the Board of Directors or by any Assistant Secretary, respectively.

Section 11. Arbitrage Covenant; Covenant to Maintain Tax Exemption. (a) The President and the Treasurer of the Issuer are hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Series 2014A Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations, (ii) the Series 2014A 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 10 will be complied with and (v) interest on the Series 2014A 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 Series 2014A 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 Series 2014A 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 Series 2014A Bonds, or any funds or accounts of the Issuer that may be deemed to be proceeds of the Series 2014A 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 Series 2014A Bonds, would have caused the Series 2014A 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 Series 2014A Bonds to be “private activity bonds” described in Section 141 of the Code;
- (v) no bonds or other evidences of indebtedness of the Issuer have been or will be issued, sold or delivered within a period beginning fifteen (15) days prior to the sale of the Series 2014A Bonds and ending fifteen (15) days following the delivery of the Series 2014A Bonds, other than the Series 2014A Bonds;
- (vi) it will not take any action that would cause interest on the Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A 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 Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A Bonds as provided in Section 103 of the Code;
- (vii) it recognizes that Section 149(a) of the Code requires the Series 2014A 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 Series 2014A Bonds are initially delivered and the Issuer agrees that it will not take any action to permit the Series 2014A Bonds to be issued in, or converted into, bearer or coupon form except as provided in the Indenture; and
- (viii) it acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest paid on the Series 2014A Bonds, under present rules, the Issuer is 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 Series 2014A Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.

(f) The President is hereby authorized and directed to execute and cause the timely filing with the Internal Revenue Service of an Information Return for Tax-Exempt Governmental Obligation Issues (Form 8038-G) as required under Section 149(e) of the Code.

Section 12. Appointment of Trustee. U.S. Bank National Association, Salt Lake City, Utah, is hereby appointed as trustee under the Indenture, thereby also serving as paying agent and registrar under the terms of the Indenture.

Section 13. Prior Acts Ratified. All prior proceedings, resolutions, and actions of the City, the Authority and their respective officers and agents taken in connection with the sale and issuance of the Series 2014A Bonds and the acquisition and construction of the Project are hereby ratified, confirmed, and approved.

Section 14. Resolution Irrepealable. After any of the Series 2014A Bonds are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Series 2014A Bonds and interest thereon shall have been fully paid, canceled and discharged.

Section ~~14~~15. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution; *provided, however*, that nothing in this Section shall be construed to amend or modify the limitations provided in Section 6 hereof.

Section ~~15~~16. Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section ~~16~~17. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

(Signature page follows.)

ADOPTED AND APPROVED by the Board of Directors of the Local Building Authority of Salt Lake City, Utah, this 4th day of March, 2014.

LOCAL BUILDING AUTHORITY OF SALT LAKE
CITY, UTAH

By _____
President

[SEAL]

ATTEST:

Secretary/Clerk

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT A

[ATTACH FORM OF FIRST AMENDMENT TO MASTER LEASE AGREEMENT]

EXHIBIT B

[ATTACH FORM OF CONSTRUCTION AGENCY AGREEMENT]

EXHIBIT C

[ATTACH FORM OF FIRST SUPPLEMENTAL INDENTURE OF TRUST]

EXHIBIT D

[ATTACH COPY OF PURCHASE CONTRACT]

EXHIBIT E

[ATTACH FORM OF PRELIMINARY OFFICIAL STATEMENT]

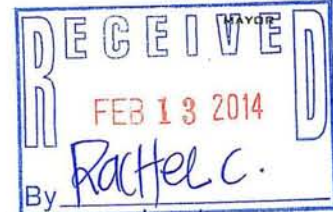
MARINA SCOTT
CITY TREASURER

SALT LAKE CITY CORPORATION

DEPARTMENT OF FINANCE
TREASURER'S DIVISION

SCANNED TO: *Ally R*
SCANNED BY: *Rachel*
DATE: *2.13.14*

RALPH BECKER



CITY COUNCIL TRANSMITTAL


David Everitt, Chief of Staff

Date Received: *02/13/2014*
Date sent to Council: *02/20/2014*

TO: Salt Lake City Council
Charlie Luke, Chair

DATE: February 12, 2014

FROM: Gordon Hoskins, Finance Director



SUBJECT: Local Building Authority of Salt Lake City, Lease Revenue Bonds, Series 2014A (Marmalade Library Project)

STAFF CONTACT: Marina Scott, City Treasurer (801-535-6565)

COUNCIL SPONSOR: Exempt

DOCUMENT TYPE: Resolution

RECOMMENDATION: The Administration recommends that on March 4, 2014 the City Council, acting as the Board of Directors of the Local Building Authority, consider and adopt the final Bond Resolution that authorizes the issuance and approves the sale of up to \$10 million par amount of Lease Revenue Bonds, Series 2014A (the Bonds”).

BUDGET IMPACT: No impact to the General Fund, and a pass through for the Local Building Authority Fund for debt service payments.

BACKGROUND/DISCUSSION: In FY 2012, the City Council approved a property tax rate increase for the Salt Lake City Public Library. The purpose of this rate increase was to generate sufficient funds to cover debt service for bonds the Authority would later issue to build the new Marmalade Library. Under the Local Building Authority Act, occupancy of the facility cannot occur until the Project is complete. Consequently, lease payments (debt service payments) by the City, as lessee, cannot be made until the project is complete.

The City Council adopted a parameters resolution on November 12, 2013, authorizing and directing the Board of Directors of the Local Building Authority to issue lease revenue bonds through the Authority for the purpose of acquiring and constructing a new

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library, the Marmalade Library Project. On the same date Board of Directors of the Local Building Authority adopted a parameters resolution authorizing the issuance and sale by the Authority of its Lease Revenue Bonds, Series 2014A, setting the maximum principal amount of bonds to be issued, the maximum number of years over which the bonds may mature, the maximum interest rate that the bonds may bear, and other related matters. A public hearing was held on December 3, 2013.

The current plan calls for the Bonds to be sold on March 4, 2013 using the negotiated method of sale. George K. Baum is underwriter for this bond issue.

Attached is a preliminary numbers run including estimated sources and uses of funds as well as debt amortization schedules. Additional funds (capitalized interest) are included in this borrowing to cover interest-only debt service payments during the construction period, estimated to be approximately 1.5 years. The par amount of bonds to be issued is estimated at \$6.97 million, assuming a par sale, and with a 20-year amortization period at current interest rate levels, annual debt service is projected to be approximately \$536,000 after the capitalized interest period.

Also, a draft copy of the final 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.

Please use the attached Agenda and Motion language for both City Council action and Local Building Authority Board of Directors action provided by Bond Counsel immediately following this Transmittal.

The appropriate documents will need to be signed the evening of Council action, March 4, 2014, to lock in rates.

Attachments

cc: Jace Bunting, Gina Chamness, Boyd Ferguson, John Spears, Randy Hillier, Gordon Hoskins, Joseph Moratalla.

Salt Lake City Council
Agenda Item for March 4, 2014

UNFINISHED BUSINESS:

Suggested Agenda Language relating to the City's resolution approving the issuance of the Local Building Authority's lease revenue bonds to finance the Marmalade Library currently scheduled to be considered by the City Council at its meeting on March 4, 2014:

Resolution: Approving the Issuance and Sale of up to \$10,000,000 Lease Revenue Bonds of the Local Building Authority of Salt Lake City

Consider adopting a resolution approving the issuance and the sale of up to \$10,000,000 aggregate principal amount of lease revenue bonds of the Local Building Authority of Salt Lake City, Utah; authorizing the execution and delivery of certain related documents and providing for related matters.

Staff Recommendation: Adopt the resolution.

Suggested Motion Language is as follows:

I move that the City Council adopt the resolution approving the issuance and the sale of \$_____ aggregate principal amount of lease revenue bonds of the Local Building Authority of Salt Lake City, Utah.

Board of Directors of the Local Building Authority of Salt Lake City, Utah
Agenda Item for March 4, 2014

UNFINISHED BUSINESS:

Suggested Agenda Language relating to the bond resolution for the lease revenue bonds relating to the Marmalade Library currently scheduled to be considered by the Board of Directors at its meeting on March 4, 2014:

Resolution: Authorizing the Issuance and Approving the Sale of up to \$10,000,000 Lease Revenue Bonds

Consider adopting a bond resolution authorizing the issuance and sale of up to \$10,000,000 aggregate principal amount of lease revenue bonds of the Local Building Authority of Salt Lake City, Utah, for the purpose of financing a portion of the cost of acquiring, constructing and improving a new library; authorizing the execution and delivery of certain related documents and providing for related matters.

Staff Recommendation: Adopt the resolution.

Suggested Motion Language is as follows:

I move that the Board of Directors adopt the bond resolution authorizing the issuance and sale of \$_____ aggregate principal amount of lease revenue bonds of the Local Building Authority of Salt Lake City, Utah, for the purpose of financing a new library.



\$6,975,000

Preliminary

Local Building Authority of Salt Lake City, Utah
Lease Revenue Bonds, Series 2014A
(Marmalade Library Project)

Sources & Uses

Dated 03/20/2014 | Delivered 03/20/2014

Sources Of Funds

Par Amount of Bonds	\$6,975,000.00
Reoffering Premium	468,316.55
Total Sources	\$7,443,316.55

Uses Of Funds

Total Underwriter's Discount (0.475%)	33,131.25
Costs of Issuance	98,750.00
Deposit to Capitalized Interest (CIF) Fund	457,507.34
Deposit to Project Construction Fund	6,851,788.00
Rounding Amount	2,139.96
Total Uses	\$7,443,316.55



\$6,975,000

Preliminary

Local Building Authority of Salt Lake City, Utah
 Lease Revenue Bonds, Series 2014A
 (Marmalade Library Project)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/20/2014	-	-	-	-	-
10/15/2014	-	-	166,694.18	166,694.18	-
04/15/2015	-	-	146,365.63	146,365.63	313,059.81
10/15/2015	-	-	146,365.63	146,365.63	-
04/15/2016	245,000.00	2.000%	146,365.63	391,365.63	537,731.26
10/15/2016	-	-	143,915.63	143,915.63	-
04/15/2017	250,000.00	2.000%	143,915.63	393,915.63	537,831.26
10/15/2017	-	-	141,415.63	141,415.63	-
04/15/2018	255,000.00	3.000%	141,415.63	396,415.63	537,831.26
10/15/2018	-	-	137,590.63	137,590.63	-
04/15/2019	260,000.00	3.000%	137,590.63	397,590.63	535,181.26
10/15/2019	-	-	133,690.63	133,690.63	-
04/15/2020	270,000.00	4.000%	133,690.63	403,690.63	537,381.26
10/15/2020	-	-	128,290.63	128,290.63	-
04/15/2021	280,000.00	4.000%	128,290.63	408,290.63	536,581.26
10/15/2021	-	-	122,690.63	122,690.63	-
04/15/2022	290,000.00	4.000%	122,690.63	412,690.63	535,381.26
10/15/2022	-	-	116,890.63	116,890.63	-
04/15/2023	300,000.00	4.000%	116,890.63	416,890.63	533,781.26
10/15/2023	-	-	110,890.63	110,890.63	-
04/15/2024	315,000.00	4.000%	110,890.63	425,890.63	536,781.26
10/15/2024	-	-	104,590.63	104,590.63	-
04/15/2025	325,000.00	5.000%	104,590.63	429,590.63	534,181.26
10/15/2025	-	-	96,465.63	96,465.63	-
04/15/2026	345,000.00	5.000%	96,465.63	441,465.63	537,931.26
10/15/2026	-	-	87,840.63	87,840.63	-
04/15/2027	360,000.00	3.500%	87,840.63	447,840.63	535,681.26
10/15/2027	-	-	81,540.63	81,540.63	-
04/15/2028	375,000.00	3.500%	81,540.63	456,540.63	538,081.26
10/15/2028	-	-	74,978.13	74,978.13	-
04/15/2029	385,000.00	3.625%	74,978.13	459,978.13	534,956.26
10/15/2029	-	-	68,000.00	68,000.00	-
04/15/2030	400,000.00	5.000%	68,000.00	468,000.00	536,000.00
10/15/2030	-	-	58,000.00	58,000.00	-
04/15/2031	420,000.00	5.000%	58,000.00	478,000.00	536,000.00
10/15/2031	-	-	47,500.00	47,500.00	-
04/15/2032	440,000.00	5.000%	47,500.00	487,500.00	535,000.00
10/15/2032	-	-	36,500.00	36,500.00	-
04/15/2033	465,000.00	5.000%	36,500.00	501,500.00	538,000.00
10/15/2033	-	-	24,875.00	24,875.00	-
04/15/2034	485,000.00	5.000%	24,875.00	509,875.00	534,750.00
10/15/2034	-	-	12,750.00	12,750.00	-
04/15/2035	510,000.00	5.000%	12,750.00	522,750.00	535,500.00
Total	\$6,975,000.00	-	\$4,062,622.45	\$11,037,622.45	-

Yield Statistics

Bond Year Dollars	\$88,919.38
Average Life	12.892 Years
Average Coupon	4.5180724%
Net Interest Cost (NIC)	4.0340996%
True Interest Cost (TIC)	3.8324517%
Bond Yield for Arbitrage Purposes	3.4442955%
All Inclusive Cost (AIC)	3.9720158%

IRS Form 8038

Net Interest Cost	3.7510922%
Weighted Average Maturity	12.873 Years

Lease Revenue Bonds, 01 - SINGLE PURPOSE - 2/15/2024 - 1:15 PM

Resolution No. ____ of 2014

A Resolution approving the issuance of the Local Building Authority of Salt Lake City, Utah, Lease Revenue Bonds, Series 2014A, in the aggregate principal amount of \$_____; authorizing the execution and delivery of a First Amendment to Master Lease Agreement, a Construction Agency Agreement, a Purchase Contract, a Tax Certificate, a Preliminary Official Statement, a Continuing Disclosure Agreement and other agreements and documents required in connection therewith; approving the sale of such Bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution; and related matters.

WHEREAS, the Local Building Authority of Salt Lake City, Utah (the “*Issuer*”) has been duly organized as a Utah nonprofit corporation by Salt Lake City, Utah (the “*City*”) solely for the purpose of (a) accomplishing the public purposes for which the City exists by acquiring, constructing, improving or extending any improvements, facilities or properties (whether real or personal) and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, and (b) financing the costs of such projects on behalf of the City in accordance with the procedures and subject to the limitations of the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “*Act*”), and other applicable Utah law;

WHEREAS, the Act provides that the Issuer may issue and sell its bonds for the purpose of paying the costs of acquiring, constructing, improving or extending a project (as such term is defined in the Act), and such bonds shall be secured by a pledge and assignment of the revenues received by the Issuer under the lease agreement with respect to the project financed or refinanced with the proceeds of the sale of such bonds and may be secured by (a) a mortgage covering all or any part of such project, (b) a pledge and assignment of the lease agreement for that project, (c) money held in reserve funds or (d) any other security devices with respect to the project as may be deemed most advantageous by the Issuer;

WHEREAS, the City desires that the Issuer undertake the acquisition, construction and improvement of a certain project pursuant to the Act consisting of the acquisition, construction and improvement of a new library (the “*Marmalade Facilities*”), on land owned by the Issuer (the “*Marmalade Site*”);

WHEREAS, the Issuer and the City will enter into a First Amendment to Master Lease Agreement, dated as of March 1, 2014 (the “*First Amendment*”) to that certain Master Lease Agreement, dated as of June 1, 2013 (the “*Master Lease*” and, together with the First Amendment, the “*Lease*”), the form of which is attached hereto as *Exhibit A*, pursuant to which the Issuer has agreed (a) to Acquire or to cause the Acquisition (as such terms are defined in the

Lease) of the Marmalade Facilities on the Marmalade Site (the “*Project*”) and (b) to lease the Marmalade Facilities to the City, all on the terms and conditions set forth in the Lease;

WHEREAS, the City has heretofore reviewed and approved the plans and specifications for the Project in satisfaction of the requirements of Section 17D-2-302 of the Act;

WHEREAS, the estimated cost of the Project, including capitalized interest on the Series 2014A Bonds (defined below) and costs of issuance relating to the Series 2014A Bonds that are to be financed from the proceeds of the Series 2014A Bonds is not more than \$_____;

WHEREAS, the City will agree, as agent of the Issuer pursuant to that certain Construction Agency Agreement (Marmalade Project), dated as of March 1, 2014 (the “*Construction Agency Agreement*”), the form of which is attached hereto as *Exhibit B*, to construct or to cause the construction of the Project as provided therein and in the Lease;

WHEREAS, pursuant to and in accordance with the provisions of the Act and the Indenture, the Issuer has determined that it is in the best interest of the Issuer and the City (a) to issue its \$_____ aggregate principal amount of Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A (the “*Series 2014A Bonds*”) pursuant to this Resolution and an Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Original Indenture*”), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*” and, together with the Original Indenture, the “*Indenture*”), between the Issuer and U.S. Bank National Association, as trustee (the “*Trustee*”), the form of which is attached hereto as *Exhibit C*, to provide funds for the purpose of (i) paying a portion of the costs of acquiring, constructing and improving the Project as provided in the Lease, (ii) providing capitalized interest to pay the portion of interest accruing on the Series 2014A Bonds during the period of acquisition, construction and improvement of the Project and for a reasonable period thereafter not exceeding 12 months as permitted by the Act and (iii) paying costs of issuance relating to the issuance, sale and delivery of the Series 2014A Bonds, (b) to lease the Leased Property (as defined in the Lease) to the City in consideration of certain Base Rentals (as defined in the Lease) and Additional Rentals (as defined in the Lease) to be paid as provided in the Lease, which will be sufficient (so long as the City extends the term of the Lease for each successive one-year renewal term) to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and certain other costs and expenses as provided in the Lease;

WHEREAS, the Issuer desires to provide for continuous compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”), in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes by entering into such tax certificates and other agreements and certificates for such purposes as directed by bond counsel for the issuance of the Series 2014A Bonds;

WHEREAS, the Issuer has negotiated for the sale of the Series 2014A Bonds to George K. Baum & Company, as underwriter (the “*Underwriter*”), pursuant to that certain Purchase Contract, dated as of the date hereof (the “*Purchase Contract*”), attached hereto as *Exhibit D*,

among the Issuer, the City and the Underwriter, and in the opinion of the Issuer it is to the best interests of the City and the Issuer that the offer of the Underwriter to purchase the Series 2014A Bonds as provided in the Purchase Contract be accepted and sale of the Series 2014A Bonds to the Purchaser be ratified and confirmed;

WHEREAS, the City has reviewed the Preliminary Official Statement, dated February __, 2014 (the “*Preliminary Official Statement*”) attached hereto as *Exhibit F* circulated in connection with the offering for sale of the Series 2014A Bonds and considers it necessary and desirable to ratify the distribution of the Preliminary Official Statement and to authorize the distribution of a final Official Statement; and

WHEREAS, there has been presented to the City Council of the City at this meeting the Purchase Contract and the proposed form of each of the following agreements: (a) the First Supplement; (b) the First Amendment; (c) Construction Agency Agreement, (d) the Continuing Disclosure Agreement (defined below) and (e) the Purchase Contract, in connection with the issuance of the Series 2014A Bonds and the financing of the acquisition, construction and improvement of the Project on the Marmalade Site; and

WHEREAS, the Issuer proposes to adopt a Bond Resolution, dated as of the date of this Resolution, for the issuance of its Series 2014A Bonds (the “*Bond Resolution*”), attached hereto as *Exhibit E*.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of Salt Lake City, Utah, as follows:

Section 1. Definitions. Certain words and phrases are defined in the preambles hereto. Unless otherwise defined herein, all words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Resolution. In addition, the following words and phrases as used in this Resolution shall have the following meanings unless the context clearly indicates a different meaning or intent:

“*City*” shall mean the Salt Lake City, Utah, a duly organized and existing body corporate and a political subdivision of the State of Utah, and any public body or public corporation succeeding to its rights and obligations under any of the Operative Agreements.

“*Operative Agreements*” shall mean, collectively, the Lease, the Indenture, the Construction Agency Agreement and the Purchase Contract.

“*State*” shall mean the State of Utah.

“*Tax Certificate*” shall mean any agreement or certificate of the Issuer and the City which the Issuer and the City may execute in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes.

Section 2. Approval of Issuance of Series 2014A Bonds. For the purposes enumerated in the preamble to this Resolution and paying the costs and expenses incidental thereto and to the issuance of the Series 2014A Bonds hereinafter described, the City hereby approves the issuance of the Series 2014A Bonds by the Issuer pursuant to the Act and in accordance with and subject to the terms, conditions and limitations established in the Indenture and in the Bond Resolution and in accordance with and subject to the terms, conditions and limitations established in the Indenture.

Section 3. Terms of the Series 2014A Bonds. (a) The Series 2014A Bonds shall be issued in the aggregate principal amount of \$_____ pursuant hereto and to the Indenture. The Series 2014A Bonds shall be issuable only as fully-registered bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000, shall be dated their date of delivery, and shall bear interest from such date payable on October 15, 2014, and thereafter semiannually on April 15 and October 15 of each year until paid as provided in the Indenture. The Series 2014A Bonds shall mature on April 15 of each year, and of the amounts and bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months), as follows:

MATURITY DATE (APRIL 15)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	__._%

(b) The Series 2014A Bonds and the Trustee’s certificate of authentication to be endorsed thereon shall be in substantially the forms set forth in the Indenture which forms are hereby incorporated herein by this reference, and the provisions for the signatures, authentication, payment, places of payment, medium of payment, transfer, exchange, registration, number and other provisions thereof, to the extent not provided herein, shall be as set forth in the Indenture as finally executed and are hereby approved and hereby incorporated herein by this reference. The form of the Series 2014A Bonds, submitted to this meeting as part of the Indenture, subject to appropriate insertion and revision in order to comply with the provisions of the Indenture is hereby approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Resolution in the aggregate principal amount herein provided, it shall represent the approved form of the Series 2014A Bonds.

(c) Upon the occurrence of an Event of Nonappropriation (as such term is defined in the Lease) or an Event of Default under the Lease or the Indenture, the Trustee shall be entitled to exercise such rights and remedies (including but not limited to the appointment of a receiver)

as are provided in the Indenture or as are otherwise provided to the Issuer under the Act or other applicable law; *provided, however*, that no deficiency judgment upon foreclosure of the lien of the Indenture may be entered against the Issuer, the City, the State or any political subdivision of the State, except as otherwise expressly provided in the Indenture and as permitted by the Act.

Section 4. Limited Obligations. The Series 2014A Bonds, together with the interest and premium, if any, thereon, are not general obligations of the Issuer but are limited obligations and, except for the security provided by the Indenture, pursuant to Section 17D-2-505 of the Act, are payable solely out of Base Rentals (and Additional Rentals to the extent necessary to replenish the Reserve Fund) received by the Trustee under the Lease and certain other amounts received under the Indenture. Nothing in this Resolution, the Indenture or the Series 2014A Bonds shall be construed as requiring the State or any political subdivision of the State to pay any of the Series 2014A Bonds or to pay any of the premium (if any) or interest thereon or to appropriate any money to pay the same. Pursuant to Section 17D-2-505 of the Act and the Indenture, the Series 2014A Bonds shall be secured by the Trust Estate, which is specifically pledged, mortgaged, hypothecated, assigned and otherwise secured in the Indenture, subject to Permitted Encumbrances, for the equal and ratable payment of the Series 2014A Bonds and any bonds hereafter issued on a parity with the Series 2014A Bonds under the Indenture and shall be used for no other purpose than to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and such additional parity bonds, except as may be otherwise expressly authorized in the Indenture. Neither the full faith and credit nor the taxing powers of the State or any political subdivision of such State is pledged to the payment of the principal of, or premium, if any, or interest on, the Series 2014A Bonds or other costs appertaining thereto. The Series 2014A Bonds and the interest and premium, if any, thereon do not now and shall never constitute an indebtedness of the Issuer, the City, the State or any political subdivision of such State within the meaning of any State constitutional provision or limitation nor give rise to or be a general obligation or liability of nor a charge against the general credit or taxing powers of the State or any political subdivision of the State. No breach of any covenant or agreement in the Indenture or the Lease shall impose any general obligation or liability upon, nor a charge against, the City or the general credit or taxing power of the State or any of its political subdivisions. THE OBLIGATION OF THE CITY TO PAY BASE RENTALS AND OTHER AMOUNTS UNDER THE LEASE IS ANNUALLY RENEWABLE AS PROVIDED THEREIN. THE OBLIGATION OF THE CITY TO MAKE SUCH PAYMENTS WILL NOT CONSTITUTE A DEBT OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUANCE OF THE SERIES 2014A BONDS NOR THE EXECUTION AND DELIVERY OF THE LEASE DIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO APPROPRIATE ANY MONEY TO PAY ANY RENTALS UNDER THE LEASE OR TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE CITY'S THEN CURRENT FISCAL YEAR OR OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE CITY TO THE EXTENT PROVIDED IN THE LEASE) TO PAY ANY RENTALS DUE TO THE ISSUER UNDER THE TERMS OF THE LEASE. NO PERSON EXECUTING THE SERIES 2014A BONDS OR THE LEASE SHALL BE SUBJECT TO PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2014A BONDS OR THE EXECUTION OF THE LEASE.

Section 5. Authorization to Execute and Deliver Operative Agreements; Sale of Bonds.

(a) The forms, terms and provisions of each of the Operative Agreements are each hereby approved in substantially the forms presented at this meeting and attached hereto, with such

insertions, omissions and changes as shall be approved by the Issuer as provided in the Bond Resolution and, to the extent that the City is a party to any such document, the Mayor, the execution of such documents by the Issuer and Mayor being conclusive evidence of such approval. The appropriate officers of the Issuer are hereby authorized and directed to execute, attest and countersign the First Supplement and each of the other Operative Agreements to which the Issuer is a party and to affix or imprint the seal of the Issuer thereon. The Mayor is hereby authorized and directed to execute and the City Recorder to attest and countersign the First Amendment and each of the other Operative Agreements to which the City is a party, and the City Recorder is hereby authorized and directed to affix or imprint thereon the seal of the City.

(b) The sale of the Bonds to the Underwriter pursuant to the terms and provisions of the Purchase Contract attached hereto is hereby approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver and the City Recorder to attest and countersign the Purchase Contract evidencing such approval of the City.

(c) The sale of the Series 2014A Bonds to the Underwriter at a price of \$_____ (representing the par amount of the Series 2014A Bonds; plus net original issue premium of \$_____, less an Underwriter's Discount of \$_____) is hereby approved.

Section 6. Distribution of the Preliminary and Final Official Statements. Distribution of the Preliminary Official Statement in the form attached hereto is hereby ratified and approved, and a final Official Statement containing such changes, omissions, insertions, deletions and variations from the Preliminary Official Statement as the President or Vice President of the Issuer shall deem advisable is hereby approved; *provided, however*, that the approval made above to the Issuer's amending or supplementing the text of the Preliminary Official Statement does not apply to the information with respect to the City contained in the Preliminary Official Statement.

Section 7. Other Actions with Respect to the Series 2014A Bonds and the First Supplement and First Amendment. The officers and employees of the City shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2014A Bonds and the execution and delivery of the Operative Agreements and the Purchase Contract, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2014A Bonds and the execution and delivery of the First Supplement. If the Mayor or the City Recorder shall be unavailable to execute, countersign or attest (as applicable), any of the Operative Agreements, the Purchase Contract and/or the other documents that they are hereby authorized to execute, countersign and attest, the same may be executed, countersigned and attested (as applicable) by the Deputy Mayor or any Deputy City Recorder, respectively.

Section 8. Arbitrage Covenant; Covenant to Maintain Tax Exemption. (a) The Mayor of the City, the City Treasurer (or the Deputy City Treasurer or acting City Treasurer) and the City Recorder are each hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Series 2014A Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations, (ii) the Series 2014A 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 City contained in this Section 7 will be complied with and (v) interest on the Series 2014A 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 City further covenants and agrees to and for the benefit of the purchasers and owners from time to time of the Series 2014A 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, 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 Series 2014A 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 Series 2014A Bonds, or any funds or accounts of the Issuer that may be deemed to be proceeds of the Series 2014A 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 Series 2014A Bonds, would have caused the Series 2014A 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 Series 2014A 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 Series 2014A Bonds and ending fifteen (15) days following the delivery of the Series 2014A Bonds, other than the Series 2014A Bonds;

(vi) it will not take any action that would cause interest on the Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A 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 Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A Bonds as provided in Section 103 of the Code; and

(vii) 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

Series 2014A Bonds, under present rules, the Issuer may be treated as a “taxpayer” in such examination and agrees that it will cooperate with the Issuer in responding in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Section 9. 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 (the “*Continuing Disclosure Agreement*”) in substantially the form attached hereto as *Exhibit G* and attached as *Appendix E* to the Preliminary Official Statement, 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 City as herein provided, the Continuing Disclosure Agreement will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City 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 Resolution, the sole remedies for failure to comply with the Continuing Disclosure Agreement shall be the ability of the beneficial owner of any Series 2014A Bond to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Agreement.

Section 10. Approval of Appointment of Trustee. The City hereby approves the appointment of U.S. Bank National Association, Salt Lake City, Utah, as Trustee, Bond Registrar and Paying Agent under the Indenture.

Section 11. Filing of Resolution. The City Recorder is hereby authorized and directed to file a certified copy of this Resolution in the records of the Issuer promptly following the adoption hereof.

Section 12. Resolution Irrepealable. After any of the Series 2014A Bonds are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Series 2014A Bonds and interest thereon shall have been fully paid, canceled and discharged.

Section 13. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution; *provided, however*, that nothing in this Section shall be construed to amend or modify the limitations provided in Section 4 hereof.

Section 14. Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 15. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the City Council of Salt Lake City, Utah, this 4th day of March, 2014.

SALT LAKE CITY, UTAH

By _____
Chair
Salt Lake City Council

[SEAL]

ATTEST:

By _____
City Recorder

Approval:

By _____
Mayor

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT A

[ATTACH FORM OF FIRST AMENDMENT TO MASTER LEASE AGREEMENT]

EXHIBIT B

[ATTACH FORM OF CONSTRUCTION AGENCY AGREEMENT]

EXHIBIT C

[ATTACH FORM OF FIRST SUPPLEMENTAL INDENTURE OF TRUST]

EXHIBIT D

[ATTACH FORM OF PURCHASE CONTRACT]

EXHIBIT E

[ATTACH FORM OF BOND RESOLUTION OF THE ISSUER]

EXHIBIT F

[ATTACH FORM OF OFFICIAL STATEMENT]

EXHIBIT G

[ATTACH FORM OF CONTINUING DISCLOSURE AGREEMENT]

When Recorded Please Return to:
Ryan D. Bjerke, Esq.
Chapman and Cutler LLP
201 South Main Street, Suite 2000
Salt Lake City, Utah 84111

**FIRST AMENDMENT
DATED AS OF MARCH 1, 2014
TO MASTER LEASE AGREEMENT
DATED AS OF JUNE 1, 2013**

Between

LOCAL BUILDING AUTHORITY OF SALT LAKE CITY, UTAH,

Lessor,

and

SALT LAKE CITY, UTAH,

Lessee.

Various interests of the Local Building Authority of Salt Lake City, Utah, in the Master Lease (as herein defined) have been assigned to U.S. Bank National Association, as Trustee under the Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreements dated as of June 1, 2013 and is subject to the security interest of U.S. Bank National Association, as Trustee under said Indenture.

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First Amendment, but is only for
convenience of reference.)

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**FIRST AMENDMENT TO
MASTER LEASE AGREEMENT**

THIS FIRST AMENDMENT, dated as of March 1, 2014 (this "*First Amendment*") to MASTER LEASE AGREEMENT, dated as of June 1, 2013, by and between the Local Building Authority of Salt Lake City, Utah (the "*Lessor*"), a Utah nonprofit corporation acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of Salt Lake City, Utah, whose mailing address is 451 South State Street, Room 415, Salt Lake City, Utah 84111 and Salt Lake City, Utah (the "*Lessee*"), a duly organized and existing body corporate and political subdivision of the State of Utah, whose mailing address is 451 South State Street, Room 415, Salt Lake City, Utah 84111.

WITNESSETH:

WHEREAS, the Lessor has undertaken for and on behalf of the Lessee the acquisition, construction and improvement of certain projects pursuant to the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the "*Act*"), consisting of the construction and improvement on a certain tract of land located in Salt Lake City, in Salt Lake County, Utah, more particularly described in *Exhibit A* attached hereto (the "*Marmalade Site*") of a new approximately 19,000 square foot library in the Marmalade neighborhood on behalf of the Lessee and the inhabitants of Salt Lake City, Utah, and all related improvements, facilities, properties and appurtenances thereto (the "*Marmalade Facilities*," and together with the Marmalade Site, the "*Marmalade Project*");

WHEREAS, on behalf of the Lessee, the Lessor has heretofore issued pursuant to the Act and presently has outstanding the Series 2013A Bonds (as hereinafter defined) under an Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreements dated as of June 1, 2013 (the "*Original Indenture*") between the Lessor and U.S. Bank National Association, as Trustee (the "*Trustee*"), to finance the Glendale Project (as defined in the Original Indenture);

WHEREAS, in accordance with the Act, the Lessor has heretofore leased the Glendale Project to the Lessee pursuant to that certain Master Lease Agreement, dated as of June 1, 2013 (the "*Master Lease*"), between the Lessor and the Lessee;

WHEREAS, Section 5.07(b) of the Master Lease provides, among other things, that Additional Bonds may be issued by the Lessor, as issuer, in accordance with Section 213 of the Original Indenture, and the Original Indenture provides that the Lessor and the Lessee may consent to any amendment, change or modification of the Master Lease as may be required in connection with the issuance of Additional Bonds;

WHEREAS, the Lessee desires the Lessor (on behalf of the Lessee) to issue a Series of Additional Bonds pursuant to Section 213 of the Original Indenture for the purpose of (i) acquiring, constructing and improving the Marmalade Facilities and (ii) paying the costs of issuing such Additional Bonds; and

WHEREAS, the Lessor and the Lessee are empowered to enter into this First Amendment pursuant to applicable law, including particularly Section 17D-2-401(1), Utah Code Annotated 1953, as amended;

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All words and phrases defined in the preambles to this First Amendment, in Article I of the Original Indenture and in Article I of the Master Lease shall have the same meaning when used in this First Amendment, unless otherwise defined in this First Amendment. In addition, the following words and phrases shall have the following meanings for all purposes of the Lease:

“*2014A Closing Date*” shall mean the date on which the Series 2014A Bonds are initially delivered to the purchasers thereof in exchange for the purchase price therefor.

“*First Amendment*” shall mean this First Amendment to Master Lease Agreement, dated as of March 1, 2014, between the Lessee and the Lessor.

“*First Supplement*” shall mean that certain First Supplemental Indenture of Trust to the Original Indenture, dated as of March 1, 2014, between the Issuer and the Trustee.

“*Indenture*” shall mean the Original Indenture, as supplemented and amended by the First Supplement, and any further amendments and supplements to the Original Indenture as therein provided.

“*Initial Disbursement Date*” shall mean the Marmalade Facilities Initial Disbursement Date.

“*Lessee*” shall mean Salt Lake City, Utah, a duly organized and existing body corporate and a political subdivision of the State of Utah in its capacity as lessee under the Lease.

“*Lessor*” shall mean the Local Building Authority of Salt Lake City, Utah, a Utah nonprofit corporation acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of the Lessee, and any successor to the duties or functions of the Lessor.

“*Marmalade Facilities Amortization Payments*” shall mean the portion of the Base Rentals relating to the leasing of the Marmalade Facilities as part of the Leased Property as provided in the Lease, payable on the dates and in the amounts as set forth in the Marmalade Amortization Schedule included as Attachment I-A to the Base Rental Payment Schedule.

“*Marmalade Facilities Initial Disbursement Date*” shall mean the first date on which moneys are disbursed from the 2014A Project Account in accordance with the Indenture to pay any portion of the Project Costs related to the Marmalade Project.

“*Marmalade Facilities Option Price*” shall mean the price specified in the Marmalade Facilities Option Price Subschedule at which the Lessee may elect to purchase from the Lessor the portion of the Leased Property constituting the Marmalade Facilities on the applicable Optional Payment Date prior to the scheduled payment of all of the Marmalade Facilities Amortization Payments, all as more particularly shown in the Marmalade Facilities Option Price Subschedule.

“*Marmalade Facilities Option Price Subschedule*” shall mean the subschedule to the Option Price Schedule included as Attachment II-A to the Option Price Schedule, as such Attachment II-A may be revised hereafter in accordance with Section 610 of the Indenture and binding upon the Lessee as more fully set forth in Section 14.01 of the Lease.

“*Master Lease*” shall mean the Master Lease Agreement, dated as of June 1, 2013, between the Lessee and the Lessor.

“*Original Indenture*” shall mean the Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreements, dated as of June 1, 2013, between the Issuer and the Trustee.

“*Series 2013A Bonds*” shall mean the Local Building Authority of Salt Lake City, Utah’s Lease Revenue Bonds, Series 2013A, issued pursuant to the Original Indenture.

“*Series 2014A Bonds*” shall mean the Local Building Authority of Salt Lake City, Utah’s Lease Revenue Bonds, Series 2014A, issued pursuant to the Indenture.

ARTICLE II

DEMISE

Section 2.01. Demise of the Marmalade Facilities. The Lessor does hereby rent, lease and demise to the Lessee, and the Lessee does hereby take, accept and lease from the Lessor, the Marmalade Facilities, which shall constitute and are hereby declared to be part of the Leased Property, subject to Permitted Encumbrances, on the terms and conditions and for the purposes herein and in the Master Lease set forth, together with all easements, rights and appurtenances in connection therewith or thereto belonging, to have and to hold for the term of the Lease; *provided* that the Lessee’s right to use and occupy the respective portions of the Leased Property consisting of each of the Marmalade Facilities shall arise automatically, simultaneously and without any further action by the Lessor or the Lessee upon the Initial Disbursement Date relating thereto.

ARTICLE III

RENTALS PAYABLE

Section 3.01. Revised Schedule I and Schedule II to the Master Lease.

(a) In accordance with Section 5.07(c) of the Master Lease and Section 610 of the Original Indenture, the Lessor and the Lessee hereby agree that (i) *Schedule I* attached hereto and incorporated herein by this reference constitutes the revised schedule of Base Rentals payable under the Lease, which schedule (A) takes into account the issuance of the Series 2014A Bonds as a Series of Additional Bonds under the Indenture issued for the purposes of paying the costs of Acquiring the 2014A Facilities in accordance with Article II of the Original Indenture, (B) shall be and become for all purposes hereafter *Schedule I* to the Lease setting forth the Base Rentals, subject to any further revisions in accordance with Section 610 of the Indenture, and (C) is accompanied by Attachment I-A in satisfaction of Section 213(h)(iii) of the Original Indenture setting forth the Marmalade Facilities Amortization Schedule, and (ii) *Schedule II* attached hereto and incorporated herein by this reference constitutes the revised schedule setting forth the respective Option Prices under the Lease with respect to the Series 2014A Bonds, which schedule (A) takes into account the issuance of the Series 2014A Bonds as a Series of Additional Bonds under the Indenture, (B) shall be and become for all purposes hereafter *Schedule II* to the Lease setting forth the respective Option Prices with respect to the Series 2014A Bonds and (C) is accompanied by Attachment II-A hereto setting forth the Marmalade Facilities Option Price Subschedule, subject to any further revisions in accordance with Section 610 of the Indenture.

(b) Notwithstanding anything herein or in the Master Lease to the contrary, the Lessee agrees that the portion of the Base Rentals representing the interest component accruing on the Series 2014A Bonds allocable to the Marmalade Project on and prior to _____, _____, shall be paid from the 2014A Capitalized Interest Account or the Insurance Fund, as the case may be, in an amount sufficient to pay such interest on the Series 2014A Bonds to accrue from the 2014A Closing Date to _____, _____.

(c) The Lessee hereby further agrees (i) to the allocation of the Marmalade Facilities Amortization Payments as set forth on the Marmalade Facilities Amortization Schedule (being Attachment I-A to *Schedule I* hereto), and (ii) to the portion of the Option Price allocable to the Marmalade Facilities, as set forth on the Marmalade Facilities Option Price Subschedule (being Attachment II-A to *Schedule II* hereto), as each such Schedule and Attachments thereto may be hereafter revised in accordance with Sections 3.03 and 3.04 hereof and Section 610 of the Indenture. The Lessee agrees that the Marmalade Facilities Amortization Payments fairly and accurately represent the allocation of the portion of the Base Rentals attributable to the leasing of the Marmalade Facilities for a period no longer than the respective estimated useful lives of each thereof.

Section 3.02. Prepayment of Base Rentals and Partial Redemption of Series 2014A Bonds. There is hereby expressly reserved to the Lessee the right, and the Lessee is hereby authorized, to prepay Base Rentals in addition to the Base Rentals otherwise payable under the

Lease solely for the purpose of redeeming the Series 2014A Bonds in part pursuant to Section 502 of the First Supplement. Such additional Base Rentals shall be deposited into the Redemption Fund and applied to the redemption of the Series 2014A Bonds in part in the manner and to the extent provided in Section 502 of the First Supplement and pursuant to a written notice from the Lessee given to the Lessor and the Trustee of the Lessee's intention to redeem Series 2014A Bonds as provided herein, identifying the maturities or portions of the Series 2014A Bonds to be redeemed.

Section 3.03. Allocation of Base Rentals. Each payment of Base Rentals on a regularly scheduled Base Rental Payment Date shall be allocated and applied as provided in Section 4.01(a) of the Master Lease and to the Marmalade Facilities Amortization Payments, in the amount set forth in Attachment I-A attached to the Base Rental Payment Schedule; *provided* that a partial payment of such Base Rentals on a regularly scheduled Base Rental Payment Date shall be allocated pro rata among such payments pursuant to Section 4.01(a) of the Master Lease payments and in each of the foregoing instances shall be treated as a corresponding reduction to the amount payable as provided in Section 4.01(a) of the Master Lease and with respect to the Marmalade Facilities. Prepayments of Base Rentals in part to effect a partial redemption of the Series 2014A Bonds as provided in Section 3.02 above shall be applied to a reduction of Base Rentals in the same manner as the Series 2014A Bonds are redeemed in part.

Section 3.04. Reductions to Option Price. The allocation of payments and prepayments of Base Rentals to the Marmalade Facilities Amortization Payments as provided in Section 3.03 hereof shall reduce correspondingly the Marmalade Facilities Option Price.

ARTICLE IV

ACQUISITION, CONSTRUCTION AND FINANCING OF THE 2014A FACILITIES

Section 4.01. Acquisition and Construction of the 2014A Facilities.

(a) The Lessor shall complete or cause the completion of the Acquisition and Construction of the 2014A Facilities in the manner set forth in Section 5.01(a) of the Master Lease.

(b) The Lessee shall use its best efforts to cause the Marmalade Project to be completed by _____, _____, subject to Section 404(c) of the First Supplement; but if for any reason the Marmalade Project is not completed by said date, there shall be no resulting liability on the part of the Lessee and no diminution in or postponement of the Rentals provided by Section 4.01 of the Lease to be paid by the Lessee.

(c) In the event that the Marmalade Project is not completed, as evidenced by delivery of a Completion Certificate pursuant to Section 409 of the Indenture with respect to such Project, on or prior to _____, _____, the Trustee shall, upon 30 days' written notice to the Lessee, be authorized, but not required, to complete the Marmalade Project from any moneys then remaining in the 2014A Project Account.

Section 4.02. Financing the Marmalade Project; Issuance of the Series 2014A Bonds. For the purpose of paying the Project Costs with respect to the 2014A Projects, providing for certain capitalized interest with respect to the Series 2014A Bonds, and paying the Costs of Issuance relating to the Series 2014A Bonds, the Lessor shall cause the Series 2014A Bonds to be issued pursuant to the Indenture and shall cause the proceeds from the sale thereof to be deposited with the Trustee and applied as provided in Section 404(a) of the First Supplement.

ARTICLE V

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 5.01. Representations, Covenants and Warranties of the Lessee. The Lessee hereby covenants and agrees for the benefit of the Lessor and the Owners from time to time of the Bonds that each of its representations, covenants and warranties set forth in Section 12.01 of the Master Lease (which are hereby incorporated herein by this reference as if fully set forth in this First Amendment) is true and accurate as of the 2014A Closing Date and will be performed with respect to the Lease, the Indenture and the transactions contemplated thereby. The Lessee further represents, covenants and warrants for the benefit of the Lessor and the Owners from time to time of the Bonds that the comprehensive annual financial report of the Lessee for the Fiscal Year ended June 30, 2013, copies of which have heretofore been delivered to the initial purchasers of the Series 2014A Bonds in connection with the initial sale thereof, presents fairly, in all material respects, the financial position of the Lessee at June 30, 2013, and the results of its operations, the cash flows of its proprietary fund types and nonexpendable trust funds, and the changes in fund balances and current funds revenues, expenditures and other changes of the Lessee's funds for the years then ended in conformity with generally accepted accounting principles and have been applied on a basis consistent with that of the preceding year. Any other statements and data submitted in writing by the Lessee to such purchasers in connection with the Lease are true and correct in all material respects as of their respective dates. Since the date of such financial statements there has been no material adverse change in the assets, liabilities or financial condition of the Lessee. The Lessee has no knowledge of any liabilities, contingent or otherwise, of the Lessee, and the Lessee has not entered into any material commitments or contracts, that have not been previously disclosed in writing to such purchasers, other than in the ordinary and normal course of its operations, that may have a materially adverse effect upon its financial condition, operations or business as now conducted.

Section 5.02. Representations, Covenants and Warranties of the Lessor. The Lessor hereby covenants and agrees for the benefit of the Lessee and the Owners from time to time of the Bonds that each of its representations, covenants and warranties set forth in Section 12.02 of the Master Lease (which are hereby incorporated herein by this reference as if fully set forth in this First Amendment) is true and accurate as of the 2014A Closing Date and will be performed with respect to the Lease, the Indenture and the transactions contemplated thereby.

Section 5.03. Covenant Regarding Continuing Disclosure Agreement. The Lessee and the Lessor hereby covenant and agree that they will comply with and carry out their respective agreements and obligations pursuant to the Continuing Disclosure Agreement. Notwithstanding any other provision of the Lease, failure of the Lessee or the Lessor to comply with its

agreements and obligations under the Continuing Disclosure Agreement or under this Section 5.03 shall not constitute, and shall not be construed to constitute, an Event of Default under the Lease; *provided, however*, that the Trustee shall be entitled to take such actions in accordance with Section 303 of the First Supplement as may be necessary and appropriate, including seeking a writ of mandate or specific performance by court order, to cause the Lessee to comply with its obligations under this Section 5.03.

ARTICLE VI

AMENDMENT OF MASTER LEASE

Section 6.01. Amendment of Article I of the Master Lease. Article I of the Master Lease is hereby amended to read as follows:

“*Additional Projects*” shall mean any “project” within the meaning of the Act, in addition to the Glendale Facilities, the Glendale Site, the Marmalade Facilities and the Marmalade Site, to be Acquired as provided in the Master Lease, as supplemented and amended from time to time.

“*Leased Property*” shall mean the Glendale Facilities, the Glendale Site, the Marmalade Facilities, the Marmalade Site and any Additional Projects, collectively, leased and to be leased to the Lessee pursuant to the Lease.

Section 6.02. Amendment of Section 3.01(a) of the Master Lease. Section 3.01(a) of the Master Lease is hereby amended to read as follows:

Section 3.01. Commencement of the Term of the Lease. (a) The initial term of this Lease shall commence as of June 20, 2013, and shall expire at 11:59 p.m. (Utah time) on June 30, 2013 (the “*Initial Term*”), subject to the Lessee’s option to extend the term of this Lease for twenty (20) additional and consecutive one-year renewal terms commencing July 1, 2014, and a final renewal term commencing July 1, 2034, and ending April 16, 2035 (herein each referred to individually as a “*Renewal Term*” and all referred to collectively as the “*Renewal Terms*”), and subject to Section 3.02 hereof. The terms and conditions of this Lease during any Renewal Term shall be the same as the terms and conditions during the Initial Term, except that the Base Rentals and the Option Price will be as specified in *Schedule I* (including the Attachments thereto) and *Schedule II* (including the Attachments thereto) attached hereto, respectively, for each such Renewal Term, as such Schedules (including such Attachments) may be revised as provided in Section 610 of the Indenture.

Section 6.03. Amendment of Section 3.02 of the Master Lease. Section 3.02 of the Master Lease is hereby amended to read as follows:

Section 3.02. Expiration or Termination of the Term of the Lease. The term of the Lease will expire or terminate, as appropriate, as to the Lessee's right of possession of the Leased Property as described in Section 3.03 hereof upon the first to occur of any of the following events: (a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation (which is not thereafter waived by the Trustee as herein provided); (b) on the Optional Payment Date on which the deposit is made of the purchase price by the Lessee for the Leased Property to be purchased pursuant to Section 14.01 hereof; (c) an Event of Default and a termination of the term of the Lease as to the possessory interest of the Lessee by the Trustee as herein provided; (d) discharge of the Indenture as therein provided; or (e) April 16, 2035, which date constitutes the day following the last Bond Principal Payment Date of the final Renewal Term of the Lease, or such later date as all Rentals required hereunder and the Bonds shall be paid.

Section 6.04. Amendment of Section 14.02(b) of the Master Lease. Section 14.02(b) of the Master Lease is hereby amended to read as follows:

(b) The Lessor's interest in the Leased Property shall be transferred to the Lessee and title thereto shall thereupon vest in the Lessee (i) on the Optional Payment Date on which the Lessee deposits the amounts required to be paid pursuant to Section 14.01(b) hereof; (ii) on April 16, 2035, upon payment of all Base Rentals for all Renewal Terms and all then accrued Additional Rentals; or (iii) when the lien of the Indenture and the Mortgages shall have been discharged in accordance with the terms thereof, other than by foreclosure of such liens.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Special Arbitrage Certification. The Lessor and the Lessee jointly and severally certify and covenant to each other and to and for the benefit of the purchasers and owners of the Series 2014A Bonds from time to time outstanding that so long as any of the Series 2014A Bonds remain outstanding, (a) moneys on deposit in any fund or account in connection with or relating to either the Lease or the Series 2014A Bonds, whether or not such moneys were derived from the proceeds of sale of the Series 2014A Bonds or from any other sources, including payments of Rentals that are payable under the Lease, will not be used in a manner that will cause either the Lease or the Series 2014A Bonds to be classified as "*arbitrage*

bonds” within the meaning of Section 148(a) of the Code and any regulations promulgated or proposed thereunder and (b) the Lessor and the Lessee will execute, and comply with the covenants and conditions of, any Tax Certificate, except as may be otherwise permitted pursuant thereto or to the Indenture.

Section 7.02. Governing Law. This First Amendment is made in the State of Utah under the Constitution and laws of such State and is to be so construed.

Section 7.03. Execution in Counterparts. This First Amendment may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same First Amendment, and it is also understood and agreed that separate counterparts of this First Amendment may be separately executed by the Lessor and the Lessee, all with the same full force and effect as though the same counterpart had been executed simultaneously by the Lessor and the Lessee; *provided, however*, that for purposes of perfecting a security interest in this First Amendment by the Trustee under Article 9 of the Utah Uniform Commercial Code, only the counterpart delivered, pledged and assigned to the Trustee shall be deemed the original.

Section 7.04. Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this First Amendment, or the application thereof to any person or circumstance, shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this First Amendment, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law; *provided, however*, that nothing contained in this Section 7.04 shall be construed to amend or modify any limitations on liability of the Lessee under Section 4.04 of the Lease.

Section 7.05. Successors and Assigns; Third Party Beneficiaries.

(a) This First Amendment and the covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto.

(b) This First Amendment is executed in part to induce the purchase by others of the Series 2014A Bonds and for the further securing of the Bonds, and, accordingly, as long as any Bonds are outstanding, all respective covenants and agreements of the parties herein contained are hereby declared to be for the benefit of the owners from time to time of the Bonds, but may be enforced by or on behalf of such owners only in accordance with the provisions of the Indenture. The First Amendment shall not be deemed to create any right in any person who is not a party (other than the permitted successors and assigns of a party) and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of a party hereto), except in each case the owners from time to time of the Bonds and the Trustee.

Section 7.06. Limitation of Warranty. The Lessor makes no warranties except those warranties or representations expressly made by the Lessor in this First Amendment or other documents related to the issuance of the Series 2014A Bonds.

Section 7.07. Captions and Headings. The captions and headings used throughout this First Amendment are for convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this First Amendment nor in any way affect this First Amendment.

Section 7.08. Master Lease Otherwise to Remain in Full Force and Effect. Except as otherwise herein expressly provided, the Master Lease shall remain in full force and effect as originally executed and delivered.

(Signature page follows.)

IN WITNESS WHEREOF, the Lessor and the Lessee have caused their respective names to be signed hereto by their respective officers hereunto duly authorized, all as of the day and year first above written.

LESSOR:

LOCAL BUILDING AUTHORITY OF
SALT LAKE CITY, UTAH

By _____
President

ATTEST:

Secretary/Clerk

LESSEE:

SALT LAKE CITY, UTAH

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT A

GENERAL DESCRIPTION OF MARMALADE SITE

The tracts of land constituting the Marmalade Site are located in Salt Lake County, State of Utah, and are more particularly described as follows:

[To be provided.]

SCHEDULE I

BASE RENTAL PAYMENT SCHEDULE

BASE RENTAL
PAYMENT DATE

PRINCIPAL
COMPONENT

INTEREST
COMPONENT

TOTAL
PAYMENTS

ATTACHMENT I-A

MARMALADE FACILITIES AMORTIZATION SUBSCHEDULE

BASE RENTAL PAYMENT DATE	PRINCIPAL COMPONENT	INTEREST COMPONENT	TOTAL PAYMENTS
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SCHEDULE II

OPTION PRICE SCHEDULE

OPTIONAL PAYMENT DATES
(DATES INCLUSIVE)

OPTION PRICE*

* Assumes that all Base Rental payments are paid when due.

ATTACHMENT II-A

MARMALADE FACILITIES OPTION PRICE SUBSCHEDULE

OPTIONAL PAYMENT DATES
(DATES INCLUSIVE)

OPTION PRICE*

* Assumes that each portion of Base Rental payment that is allocable to Marmalade Facilities Amortization Payments is paid when due.

**CONSTRUCTION AGENCY AGREEMENT
(MARMALADE PROJECT)**

THIS CONSTRUCTION AGENCY AGREEMENT (MARMALADE PROJECT, dated as of March 1, 2014, by and between the Local Building Authority of Salt Lake City, Utah (the “Principal”) and Salt Lake City, Utah (the “Agent”),

WITNESSETH:

WHEREAS, the Principal is the owner of certain real property located in Salt Lake County, State of Utah, more particularly described in *Exhibit A* attached hereto and made a part hereof by this reference (the “*Marmalade Site*”);

WHEREAS, the Principal desires that the Marmalade Site be developed by the acquisition and construction of certain buildings, structures and improvements on the Marmalade Site to serve as an approximately 19,000 square foot library in the Marmalade neighborhood, related public facilities and appurtenances and personal property necessary or convenient thereto (the “*Marmalade Facilities*”);

WHEREAS, the Principal and the Agent have entered into that certain Master Lease Agreement, dated as of June 1, 2013 (the “*Master Lease*”), as amended by a First Amendment to Master Lease, dated March 1, 2014 (the “*First Amendment*” and, together with the Master Lease, the “*Lease*”) wherein the Agent and the Principal agree to cause the issuance and sale of the Principal’s \$_____ Lease Revenue Bonds, Series 2014A (the “*Bonds*”) pursuant to that certain Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Original Indenture*”), as amended and supplemented by that certain First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*” and, together with the Original Indenture, the “*Indenture*”), each between the Principal, as trustor, and U.S. Bank National Association, as trustee (collectively, the “*Indenture*”) and the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, to acquire, construct and improve or cause the acquisition, construction and improvement (collectively, “*Acquisition*”) of the Marmalade Facilities on the Marmalade Site, with the proceeds from the sale of the Bonds and to lease (a) the Marmalade Facilities and (b) the Marmalade Site, to the Agent (acting in its capacity as Lessee thereunder) for the Agent’s use and occupancy on an annually renewable basis, all as provided in the Lease; and

WHEREAS, the Agent has expended considerable amounts of time, money and effort in obtaining architectural and other professional services, in preparing bid and other documents for the acquisition, construction, improvement and extension of the Marmalade Facilities on the Marmalade Site and in awarding bids in accordance with applicable law for the acquisition and construction of the Marmalade Facilities on the Marmalade Site and the Principal desires to engage the Agent pursuant to the terms hereof to cause the acquisition and construction of the Marmalade Facilities on the Marmalade Site pursuant to the Lease;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Principal and the Agent hereby agree as follows:

Section 1. Definitions. All capitalized terms used herein which are not defined herein shall have the same meaning as when such terms are used in the Lease or in the Indenture, as applicable.

Section 2. Appointment of the Agent. The Principal hereby appoints the Agent as its exclusive agent for the purpose of Acquiring or causing the Acquisition of the Marmalade Facilities on the Marmalade Site pursuant to the Project Documents and in accordance with the terms and conditions for such Acquisition of the Marmalade Facilities as provided in Article V of the Lease. The Agent, as agent for the Principal for such purpose, assumes all rights, duties and responsibilities of the Principal regarding supervision of the Acquisition of the Marmalade Facilities as are granted to or imposed upon the Principal pursuant to the Lease. The Agent shall supervise Acquisition of the Marmalade Facilities in a manner to assure that, upon final completion thereof, the Marmalade Facilities shall be free and clear of all liens and encumbrances that may arise in connection with the work performed on the Marmalade Facilities and that the Marmalade Facilities will be acceptable to the Agent in its capacity as Lessee under the Lease for its use and occupancy during the term of the Lease. The Agent is hereby authorized to execute and deliver the Projects Documents, including without limitation collateral assignments thereof in favor of the Trustee. The Principal shall cooperate with the Agent, as requested by the Agent, in connection with the execution, delivery and performance of any Projects Documents. Notwithstanding anything herein to the contrary, the Principal hereby reserves its rights as principal (a) to execute and deliver any such Projects Documents as it shall determine and (b) to take any other actions hereunder as principal or under the Lease to cause the Acquisition of the Marmalade Facilities on the Marmalade Site pursuant to the Projects Documents, notwithstanding the delegation made in this Agreement.

Section 3. Award of Construction Contract. (a) The Agent, on behalf of the Principal, or the Principal on its own behalf, shall award a construction contract or contracts for the Acquisition of the Marmalade Facilities (collectively, the “*Construction Contract*”) on the Marmalade Site to a contractor or contractors licensed under the laws of the State of Utah (the “*Contractor*”), and such Construction Contract has been or will be awarded after such public bidding and following such procedures as the Agent has determined to be in the best interests of the Lessee for such Acquisition of the Marmalade Facilities on a timely and cost effective basis; *provided, however*, that nothing herein shall be construed to impose a public bidding requirement on letting any such Construction Contract. The Agent shall require the Contractor who has been or will be awarded the Construction Contract to provide a faithful performance bond and a labor and material payment bond satisfactory to the Agent (in its capacity as Lessee under the Lease) conditioned upon final completion of the Marmalade Facilities as expeditiously as reasonably possible from the date of execution of the Lease and also conditioned upon delivery of possession of the Marmalade Facilities to the Lessee free and clear of all liens and encumbrances, except taxes, liens and encumbrances on the Principal’s interest in the Marmalade Facilities, and easements and restrictions in the record title accepted by the Agent (in its capacity as Lessee under the Lease). The proceeds from any such bond shall be transferred to U.S. Bank National Association, acting as trustee of the construction funds (the “*Trustee*”), for deposit as

provided in the Indenture. Such bonds shall be made payable to the Trustee, shall be executed by a corporate surety licensed to transact business in the State of Utah and acceptable to the Agent and the Trustee, and shall be in an amount equal to the contract price for such contractor's or subcontractor's Construction Contract. If, at any time during the Acquisition of the Marmalade Facilities, the surety on such bond shall be disqualified from doing business within the State of Utah, or shall otherwise become incapable (in the judgment of the Trustee or the Agent) of performing its obligations under such bond, an alternate surety acceptable to the Agent and the Trustee shall be selected. In the event of any change order in accordance with Section 5 hereof resulting in the performance of additional work in connection with the Acquisition of the Marmalade Facilities, the amounts of such bonds pertaining thereto shall be increased to include the cost of such additional work or materials or fixtures to be incorporated in the Marmalade Facilities.

(b) If any payments on a contract with a private contractor to do work on the Marmalade Facilities are retained or withheld, such payments shall be placed in an interest bearing account and the interest thereon shall accrue for the benefit of such contractor and subcontractors to be paid after the Marmalade Facilities are completed and the Marmalade Facilities accepted by the Agent acting in its capacity as Lessee pursuant to Section 5.08 of the Master Lease; *provided, however*, that neither the Principal nor the Agent shall have any responsibility to distribute the interest on such retainage to the subcontractors, it being solely the responsibility of the contractor to ensure that any interest accrued on such retainage is distributed by the contractor to the subcontractors on a pro rata basis.

Section 4. Disbursements from the Acquisition Fund. Whenever payments from the Acquisition Fund are to be made to satisfy an obligation under a Construction Contract, the Agent shall cooperate with the Authorized Lessee Representative under the Lease to file with the Trustee the written requisitions required by Section 408(b) of the Original Indenture to be delivered to effect disbursements from the Acquisition Fund and shall furnish or cause to be furnished such other certificates and documents as may be required to establish that there has not been filed with or served upon the Agent notice of any lien, right to lien, attachment upon or claim affecting the right to receive payment of any of the moneys payable to any of the persons named in such written requisitions which has not been released or will not be released simultaneously with such payment, other than materialmen's or mechanics' liens accruing by mere operation of law which will not be released until final payment is made. The Agent shall also provide certificates in connection with such written requisitions from the architects and engineers performing work for the Acquisition of the Marmalade Facilities as may be customary to certify their approval of the payments therein requested to be made and further certifying that insofar as such obligations for payment were incurred for work, materials, equipment and supplies, such work was actually performed, or such materials, equipment or supplies were actually installed, in furtherance of the Acquisition of the Marmalade Facilities, were delivered at the construction site of the work for that purpose or were delivered for storage or fabrication at the place or places approved by the Agent.

Section 5. Change Orders. The Agent, without approval of or notice to the Principal, may issue change orders altering the Plans and Specifications during the course of Acquisition of the Marmalade Facilities; *provided, however*, that unless sufficient additional funds are deposited

by the Lessee under the Lease into a designated account in the Acquisition Fund (a) the cost of the Marmalade Facilities shall not exceed that which is established at the time when the Bonds are initially issued by the Principal, and (b) the cost of change orders shall not exceed the amount then available therefor in the Acquisition Fund, provided that the Acquisition of the Marmalade Facilities is then on budget with the amount initially determined as needed to complete Acquisition of the Marmalade Facilities. The Agent shall take no action which extends the period of Acquisition beyond the period for which capitalized interest on the Bonds has been funded under the Indenture unless sufficient additional legally available funds are deposited into the Capitalized Interest Fund. Before issuing any such change orders which, together with all other change orders, would increase the aggregate cost of Acquisition of the Marmalade Facilities beyond that initially established, the Agent shall arrange to pay the increased cost resulting from such change orders and shall deposit funds sufficient to pay such increased cost with the Trustee for deposit into the Acquisition Fund; *provided, however*, that nothing herein shall be construed to require the Agent to deposit any such funds for purposes of this Section 5 other than from moneys legally available therefor and appropriated or otherwise specifically provided for such purpose.

Section 6. Required Provisions of Construction Contract. (a) The Agent shall enter into no Construction Contract for the Acquisition of the Marmalade Facilities unless such Contract provides that, upon an Event of Nonappropriation or an Event of Default, or upon the termination of the authority of the Agent (in its capacity as agent hereunder or as Lessee under the Lease) to complete the Acquisition of the Marmalade Facilities pursuant to the Lease or this Agreement, the Construction Contract will be fully and freely assignable to the Trustee without the consent of any other person; and that, if the Construction Contract is assumed by the Trustee, the contractor will perform the agreements contained in the Construction Contract for the benefit of the Trustee. Each Construction Contract must also provide that, upon an Event of Nonappropriation, an Event of Default or damage to, or destruction or condemnation of, the Marmalade Facilities as described in Section 10.01 of the Master Lease, the Trustee may terminate such Contract, and the contractor shall then be entitled to payment only from amounts available therefor in the Acquisition Fund and only for work done prior to such termination. The Agent agrees that upon the occurrence of an Event of Nonappropriation or an Event of Default, or otherwise upon the termination of the authority of the Agent (in its capacity as agent hereunder or as Lessee under the Lease) to complete the Acquisition of the Marmalade Facilities pursuant to the Lease or this Agreement, and upon receipt of a written request from the Trustee, it will assign to the Trustee all of its right, title and interest in and to all Construction Contract and other Projects Documents.

(b) The Agent shall have and keep on file and available for inspection by the Principal and the Trustee copies of the Projects Documents (except Projects Documents which are in the possession of the Trustee) throughout the term hereof, or as soon after the commencement of the term hereof as such Projects Documents shall become available to the Agent.

(c) Each Contractor entering into a Construction Contract shall be required to procure and maintain standard form commercial general public liability and property damage insurance (to the extent not already covered by other insurance), at its own cost and expense, during the

duration of such Contractor's Construction Contract, in the amount of not less than \$1,000,000 combined single limit per occurrence.

(d) Unless the Agent shall otherwise agree in the Construction Contract to carry the builder's risk insurance hereinafter described, each general contractor retained in connection with the Acquisition of the Marmalade Facilities shall be required to procure and maintain, at its own cost and expense, during the term of its Construction Contract and until the Project is accepted and insured by the Agent acting in its capacity as Lessee under the Lease, standard, all risk of loss builder's risk completed value insurance upon the Marmalade Facilities Constructed or to be Acquired, in whole or in part, by such contractor or its subcontractors until the Leased Property is accepted and insured by the Lessee. If commercially available and reasonable, the policy shall not provide any deductible amounts; otherwise, the policy may have a deductible of \$5,000. In the event such policy has a deductible, the Principal shall set aside \$5,000 to cover such deductible. Such insurance coverage shall in the aggregate be in an amount at least equal to the original principal amount of the Bonds. In the event of any change order resulting in the performance of additional work in connection with the Acquisition of the Projects, the amount of such insurance shall be increased to include the cost of such additional work.

(e) Each Contractor and subcontractor for the Marmalade Facilities shall be required to procure and maintain workers' compensation insurance as required by applicable law.

(f) The Net Proceeds of any performance or payment bond or builders' risk insurance policy required hereunder is to be deposited into such funds and accounts as provided in section 5.05(f) of the Master Lease.

(g) Each Construction Contract shall contain provisions regarding liquidated damages and construction retainage, if any, acceptable to the Agent. The Net Proceeds from any such liquidated damages provision shall be deposited into the Bond Fund in accordance with Section 5.05(g) of the Master Lease.

Section 7. Remedies Against Contractors. The Agent shall proceed promptly, either separately or in conjunction with others, to pursue diligently its remedies against any Contractor or subcontractor which is in default under any of the Construction Contract and/or against each surety on any bond securing the performance of such Construction Contract. The Net Proceeds recovered by way of the foregoing, after reimbursement to the Agent for any unreimbursed expenditure of the Agent for correcting or remedying such default, will be deposited into such funds and accounts as provided in Section 5.06 of the Master Lease.

Section 8. Compliance with Applicable Laws, Regulations, Etc. (a) The Agent shall, and shall cause each Contractor and subcontractor to, Acquire the Marmalade Facilities on the Marmalade Site in accordance with all requirements, approvals, certifications or permits issued with respect to the Acquisition of the Marmalade Facilities by federal, state and local governmental bodies and agencies and file all periodic reports required under such approvals, certifications and permits.

(b) Within the meaning of Title 26, Chapter 29, Utah Code Annotated 1953, as amended, the Marmalade Facilities must be Acquired in compliance with the current edition of planning and design criteria adopted by the governing body of the Lessee so as to be accessible to, and functional for, the physically handicapped. The Marmalade Facilities must comply with the *Americans With Disabilities Act*, 42 U.S.C. § 12101 *et seq.* (1991).

(c) The Agent shall design, construct, and improve the Marmalade Facilities in compliance with all applicable statutes and regulations of the State of Utah, and will insure that such Facilities meet all applicable commercial standards and building and zoning code requirements for comparable facilities in the locality applicable to non-governmentally owned facilities and will use its best efforts to have Acquisition of the Marmalade Facilities completed in accordance with the construction schedule established pursuant to Section 9(b) hereof and within the cost estimate prepared for construction of the Marmalade Facilities pursuant to Section 9(a) hereof. Subject to the requirements of such statutes and regulations, the Agent shall have the right to select and employ design professionals, project and construction managers, consultants and contractors, and to determine the methods and manner in which planning and construction will be accomplished.

Section 9. Project Cost Estimate and Construction Schedule. (a) As soon as practicable, the Agent will estimate the cost of Acquiring the Marmalade Facilities, and the estimate will be the basis for the budget for the Marmalade Facilities.

(b) The Agent shall also establish a schedule for Acquiring the Marmalade Facilities which will assist the Trustee and the Agent acting in its capacity as Lessee under the Lease to determine when and in what amounts funds will be needed to pay for costs incurred for the Acquisition of the Marmalade Facilities. Copies of such budget and schedule will be furnished by the Agent to the Trustee.

Section 10. Ratification. The Principal hereby ratifies and approves any and all actions undertaken prior to the execution of this Agreement by the Agent on behalf of the Principal for the Acquisition of the Marmalade Facilities.

Section 11. Term of the Agreement. (a) This Agreement shall become effective as of the date of its execution by the Principal and the Agent.

(b) This Agreement shall terminate thirty (30) days after delivery of the Completion Certificate pursuant to the Lease and the Indenture, except that the Agent may thereafter notify Contractors of defects in construction and demand correction in accordance with whatever warranties may be applicable and may be canceled by the Trustee upon or any time after the occurrence of an Event of Default or an Event of Nonappropriation. If the defects are not immediately corrected, the Agent, at its sole expense (but only from appropriated moneys legally available for such purpose), may initiate and pursue any remedies which may be available to the Agent to enforce correction of construction defects.

(Signature page follows.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized as of the day and year first above written.

PRINCIPAL:

LOCAL BUILDING AUTHORITY OF SALT LAKE CITY, UTAH

By _____
President

ATTEST:

Secretary/Clerk

[SEAL]

AGENT:

SALT LAKE CITY, UTAH

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder

[SEAL]

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT A

The tracts of land constituting the Marmalade Site are located in Salt Lake County, State of Utah, and are more particularly described as follows:

[To be provided.]

Recorded Please Return to:
Ryan D. Bjerke, Esq.
Chapman and Cutler LLP
201 South Main Street, Suite 2000
Salt Lake City, Utah 84111

FIRST SUPPLEMENTAL INDENTURE OF TRUST

DATED AS OF MARCH 1, 2014

TO

**INDENTURE OF TRUST, MORTGAGE, ASSIGNMENT OF
LEASE AGREEMENTS AND SECURITY AGREEMENTS**

Dated as of June 1, 2013

**LOCAL BUILDING AUTHORITY OF SALT LAKE CITY, UTAH
(Trustor, Mortgagor and Debtor)**

TO

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee (Trustee, Mortgagee and Secured Party)**

Authorizing the Issuance of and Securing \$_____ Lease Revenue Bonds, Series 2014A, of
the Local Building Authority of Salt Lake City, Utah.

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First Supplemental Indenture of Trust, but is only for
convenience of reference.)

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**FIRST SUPPLEMENTAL INDENTURE OF TRUST
TO
INDENTURE OF TRUST, MORTGAGE, ASSIGNMENT OF
LEASE AGREEMENTS AND SECURITY AGREEMENTS**

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST, dated as of March 1, 2014 (the or this “*First Supplement*”) to the INDENTURE OF TRUST, MORTGAGE, ASSIGNMENT OF LEASE AGREEMENTS AND SECURITY AGREEMENTS, dated as of June 1, 2013 (the or this “*Original Indenture*”), by and between the Local Building Authority of Salt Lake City, Utah, a Utah nonprofit corporation (the “*Issuer*”), whose mailing address is located at 451 South State Street, Room 415, Salt Lake City, Utah 84111, acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of Salt Lake City, Utah, and U.S. Bank National Association, as trustee (the “*Trustee*”), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out, whose mailing address and principal corporate trust office are located at U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101,

WITNESSETH:

WHEREAS, Salt Lake City, Utah (the “*City*”) has organized the Issuer solely for the purpose of (a) accomplishing the public purposes for which the City exists by constructing, acquiring, improving or extending any improvements, facilities or properties (whether real or personal) and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, which improvements, facilities, properties and appurtenances need not be situated within the boundaries of the City and (b) financing the costs of such projects on behalf of the City in accordance with the procedures and subject to the limitations of the Local Building Authority Act, Title 17D, Chapter 2 of the Utah Code Annotated 1953, as amended (the “*Act*”);

WHEREAS, the Act provides that the Issuer may issue and sell its bonds for the purpose of paying the costs of acquiring, improving or extending a project (as such term is defined in the Act), and such bonds shall be secured by a pledge and assignment of the revenues received by the Issuer under the lease agreement with respect to the project financed with the proceeds of the sale of such bonds and may be secured by (a) a mortgage (as such term is defined in the Act) covering all or any part of such project, (b) a pledge and assignment of the lease agreement for that project, (c) money held in reserve funds or (d) any other security device with respect to the project as may be deemed most advantageous by the Issuer;

WHEREAS, to finance the cost of acquisition and construction of certain facilities pursuant to the Act, the Issuer has heretofore issued pursuant to the Act its “Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2013A” (the “*Prior Parity Bonds*”), under the Original Indenture;

WHEREAS, Section 213 of the Original Indenture provides that Additional Bonds (as such term is defined in the Original Indenture) may be issued under the Original Indenture,

subject to satisfaction of the terms and conditions for such issuance as provided in the Original Indenture and in Section 5.07(b) of the Master Lease Agreement, dated as of June 1, 2013 (the "*Master Lease*"), between the Issuer and the City as lessee (the "*Lessee*"), and such Additional Bonds shall be secured by the lien of the Indenture and the Mortgages (as each such term is defined in the Original Indenture) and rank *pari passu* with the outstanding Prior Parity Bonds and any Additional Bonds hereafter issued pursuant to the Indenture;

WHEREAS, Section 5.07(b) of the Master Lease and Section 213 of the Original Indenture authorize the issuance of such Additional Bonds for the purposes, among other things, of providing funds to pay the costs of Acquiring any additional "projects" (as such term is defined in the Act), subject to satisfaction of certain conditions as set forth in Section 5.07(b)(iii) of the Master Lease, all of which the Lessee and the Issuer have satisfied prior to the issuance of the Series 2014A Bonds hereinafter described;

WHEREAS, Section 1201 of the Original Indenture authorizes the Issuer and the Trustee from time to time and at any time with the prior written consent of the Lessee, but without the consent of or notice to any Bondowners and subject to the restrictions contained in the Indenture, to enter into an indenture supplemental to the Original Indenture for the purposes, among other things, of (a) subjecting to the lien of the Indenture additional Property and Revenues acquired by the Issuer and intended to be subjected to the lien of the Indenture and (b) authorizing the issuance of Additional Bonds;

WHEREAS, the Lessee desires the Issuer to undertake pursuant to the Act the acquisition, construction and improvement of certain projects, consisting of the construction and improvement on a certain tract of land located in Salt Lake City, in Salt Lake County, Utah, more particularly described in *Exhibit A* attached hereto (the "*Marmalade Site*") of a new approximately 19,000 square foot library in the Marmalade neighborhood on behalf of the Lessee and the inhabitants of Salt Lake City, Utah, and all related improvements, facilities, properties and appurtenances thereto (the "*Marmalade Facilities*," and together with the Marmalade Site, the "*Marmalade Project*");

WHEREAS, in accordance with the Act, the Lessor has heretofore leased the Glendale Project to the Lessee pursuant to that certain Master Lease Agreement, dated as of June 1, 2013 (the "*Master Lease*"), between the Lessor and the Lessee;

WHEREAS, the Issuer and the Lessee will, simultaneously with the execution and delivery of this First Supplement, enter into that certain First Amendment, dated as of March 1, 2014 (the "*First Amendment*"), to the Master Lease (the First Amendment and the Master Lease are herein collectively referred to as the "*Lease*"), pursuant to which the Issuer agrees (among other things) (i) to lease the Marmalade Facilities to the Lessee, and (ii) to collect Base Rentals in an amount sufficient (so long as the Lessee extends the term of the Lease for each successive one-year renewal term) to pay the principal of, and premium (if any) and interest on, the outstanding Prior Parity Bonds and the Series 2014A Bonds, all on the terms and conditions set forth therein;

WHEREAS, pursuant to and in accordance with the provisions of the Act and the Original Indenture, as further supplemented and amended by this First Supplement (the Original

Indenture as amended and supplemented by this First Supplement is sometimes referred to herein as the “*Indenture*”), the Issuer has determined, by resolution, (a) to issue its \$_____ aggregate principal amount of Lease Revenue Bonds, Series 2014A (the “*Series 2014A Bonds*”), to provide funds for the purpose of (i) acquiring, constructing and improving the Marmalade Facilities, (ii) providing capitalized interest to pay the portion of interest accruing on the Series 2014A Bonds during the respective period of acquisition, construction and improving of the Marmalade Facilities and (iii) paying the costs of issuing such Additional Bonds; (b) to lease the Marmalade Facilities, together with the Glendale Facilities (as such term is defined in the Master Lease), which have heretofore been leased pursuant to the Master Lease, to the Lessee in consideration of certain base rentals and additional rentals to be paid as provided in the Lease, which will be sufficient (so long as the Lessee extends the term of the Lease for each successive one-year renewal term) to pay the principal of, and premium, if any, and interest on, the Bonds and certain other costs and expenses as provided in the Lease;

WHEREAS, the execution and delivery of this First Supplement and the First Amendment and the issuance of the Series 2014A Bonds under the Act have been in all respects duly and validly authorized by resolution duly passed and approved by the Board of Directors of the Issuer subject to approval of the issuance of the Series 2014A Bonds and the terms thereof by resolution duly passed and approved by the governing body of the City;

WHEREAS, pursuant to and in accordance with the provisions of the Act, by resolution duly adopted by the governing body of the City, the City has heretofore approved the issuance of the Series 2014A Bonds and the terms thereof;

WHEREAS, the proceeds of sale of the Series 2014A Bonds are to be held under the Indenture and applied by the Trustee in accordance with the terms of the Indenture for the acquisition, construction and improving of the Marmalade Facilities in accordance with the terms of the Indenture and the Lease;

WHEREAS, the Series 2014A Bonds and the Trustee’s certificate of authentication to be endorsed thereon are to be in substantially the forms attached hereto as *Exhibit B*, with necessary and appropriate variations, omissions and insertions as permitted or required by the Indenture; and

WHEREAS, all things necessary to make the Series 2014A Bonds, when authenticated by the Trustee and issued as in this First Supplement and the Original Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this First Supplement and the Original Indenture a valid assignment and pledge of the rentals and revenues derived from the Lease for the payment of the principal of, and premium, if any, and interest on, the Bonds and a valid assignment of the rights of the Issuer under the Lease and a valid security agreement and contract for the security of the Bonds, have been done and performed, and the creation, execution and delivery of this First Supplement, and the creation, execution and issuance of the Series 2014A Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST TO THE INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises and the purchase and acceptance of the Series 2014A Bonds by the owners thereof, the sum of Ten Dollars lawful money of the United States of America to it duly paid by the Trustee at or before the execution and delivery of these presents, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, and premium, if any, and interest on, the Bonds outstanding under the Indenture from time to time, according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, has executed and delivered this First Supplement and has granted, bargained, sold, transferred, conveyed, mortgaged, assigned, pledged and hypothecated and by these presents does hereby grant, bargain, sell, transfer, convey, mortgage, assign, pledge and hypothecate unto the Trustee, its successors in trust and assigns, forever, and grants to the Trustee, its successors in trust and assigns, forever, a security interest (as a purchase money obligation and mortgage) in, except any Excepted Property (as defined in the Original Indenture) hereinafter expressly excepted from the lien of the Indenture, all and singular the following described properties, rights, interests and privileges:

All right, title, interest, estate, claims and demands of the Issuer as lessor in, to and under the Master Lease as amended and supplemented by the First Amendment, and any and all extensions or renewals of the term thereof, together with all rights, powers, privileges, options and other benefits of the Issuer as lessor under the Lease, including but not limited to those set forth in Granting Clause First to the Original Indenture.

To the extent that any of the foregoing properties described in the Granting Clause to this First Supplement is not comprised of real property, this First Supplement constitutes or shall be treated as constituting a security agreement under the Utah Uniform Commercial Code, so that the Trustee shall have and may enforce a security interest to secure payments of all sums due or to become due under the Indenture in any or all of the aforesaid tangible personal property, accounts, contract rights and general intangibles and other articles of property, real, personal and mixed, now owned or hereafter acquired, in addition to, but not in limitation of, the lien upon the same as part of the realty imposed by the Indenture, such security interest to attach at the earliest moment permitted by law.

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured under the Indenture are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the Base Rentals, revenues and receipts, hereby assigned or pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter and in the Original Indenture expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and the respective owners, from time to time, of the Bonds as follows (subject, however, to the provisions of Section 204 of the Indenture):

ARTICLE I

DEFINITIONS

All words and phrases defined in Article I of the Lease (including Article I of the First Amendment) and in Article I of the Original Indenture shall have the same meaning when used in this First Supplement. In addition, the following words and phrases, except where the context indicates otherwise, shall have the following meanings for all purposes of the Indenture:

“*2014A Costs of Issuance Fund*” shall mean the fund created by Section 405 of this First Supplement.

“*Act*” shall mean the Local Building Authority Act, Title 17D, Chapter 2 of the Utah Code Annotated 1953, as amended, and other applicable Utah law.

“*Bond*” or “*Bonds*” shall mean one or more of the Prior Parity Bonds, the Series 2014A Bonds to be issued under the Indenture and, unless the context otherwise indicates, any Additional Bonds authenticated and delivered from time to time under the Indenture.

“*Continuing Disclosure Agreement*” shall mean that certain Continuing Disclosure Agreement between the Lessee and the Trustee, dated the date of original issuance of the Series 2014A Bonds, as originally executed and as it may be amended from time to time in accordance with its terms.

“*2014A Capitalized Interest Account*” shall mean the account by that name in the Capitalized Interest Fund created by Section 401 hereof.

“*2014A Project Account*” shall mean the account by that name in the Project Fund created by Section 403 hereof.

“*First Amendment*” shall mean the First Amendment to the Master Lease Agreement, dated as of March 1, 2014, between the Lessee and the Lessor.

“*First Supplement*” shall mean this First Supplemental Indenture of Trust to the Original Indenture, dated as of March 1, 2014, between the Issuer and the Trustee.

“*Indenture*” shall mean the Original Indenture, as supplemented and amended by the First Supplement and any further amendments and supplements to the Original Indenture as therein provided.

“*Issuer*” shall mean the Local Building Authority of Salt Lake City, Utah, a body politic and corporate of the State of Utah, and any public body or corporation that succeeds to its powers, duties or functions.

“*Lease*” shall mean the Master Lease as amended and supplemented by the First Amendment, including the Exhibits and Schedules attached thereto and incorporated therein, and

any further amendments and supplements to the Master Lease as therein and in the Indenture provided.

“*Lessee*” shall mean Salt Lake City, Utah, a duly organized and existing body corporate and a political subdivision of the State of Utah in its capacity as lessee under the Lease.

“*Master Lease*” shall mean the Master Lease Agreement, dated as of June 1, 2013, between the Lessee and the Lessor.

“*Original Indenture*” shall mean the Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreements, dated as of June 1, 2013, between the Issuer and the Trustee.

“*Prior Parity Bonds*” shall mean the \$7,180,000 Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2013A, issued pursuant to the Original Indenture

“*Project Costs*,” for purposes of the definition thereof in the Indenture, shall include obligations of the Lessee or the Issuer incurred for labor, materials and equipment (including reimbursements from proceeds of the Series 2014A Bonds payable to the Lessee for such expenditures made with respect to the 2014A Facilities subsequent to June 21, 2013, with certain exceptions for preliminary expenditures, or to the Issuer and payments on contracts in the name of the Issuer or the Lessee) in connection with the Marmalade Project.

“*Series 2014A Bonds*” shall mean the Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A, issued pursuant to the Indenture.

“*Tax Certificate*” shall mean any agreement or certificate of the Issuer and the Lessee which the Issuer and the Lessee may execute in order to establish and maintain the excludability from gross income for federal income tax purposes of interest on the Series 2014A Bonds.

ARTICLE II

THE SERIES 2014A BONDS

Section 201. Authorized Amount of Series 2014A Bonds. No Series 2014A Bonds may be issued under this First Supplement or the Original Indenture except in accordance with this Article and Article II of the Original Indenture. The total principal amount of Series 2014A Bonds that may be issued hereunder and thereunder is hereby expressly limited to \$_____; *provided, however,* that Additional Bonds may be issued as provided in Section 213 of the Indenture.

Section 202. Issuance of the Series 2014A Bonds.

(a) In order (i) to provide funds to finance the Costs of Acquisition with respect to the Marmalade Project, and (ii) to provide moneys for deposit into the 2014A Project Account and the 2014A Capitalized Interest Account and the 2014A Costs of Issuance Fund to be used for the

respective purposes for which such fund and account are created under the Indenture, there is hereby authorized to be issued a Series of Bonds in the aggregate principal amount of \$_____, which Series of Bonds is hereby designated as “*Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A.*” The Series 2014A Bonds shall be dated the date of the original issuance and delivery of such Series 2014A Bonds.

(b) The Series 2014A Bonds shall mature on April 15 of each of the years and in the principal amounts, and shall bear interest at the rates per annum, payable on April 15 and October 15 in each year, commencing October 15, 2014, as set forth in the following table:

YEAR (APRIL 15)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

Section 203. Form of Series 2014A Bonds. Each of the Series 2014A Bonds issued under the Indenture shall be substantially in the form set forth in *Exhibit B* with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

Section 204. Delivery of the Series 2014A Bonds; Application of Proceeds of Series 2014A Bonds; Application of Certain Moneys under the Indenture.

(a) Upon the execution and delivery of this First Supplement, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 2014A Bonds to be issued in the aggregate principal amount of \$_____ and deliver them to the purchasers thereof as may be directed by the Issuer as hereinafter in this Section 204 provided.

(b) Prior to the delivery on original issuance by the Trustee of any of the Series 2014A Bonds, which constitute a Series of Additional Bonds for purposes of the Indenture, there shall be or have been delivered to the Trustee:

(i) a written statement by the Lessee that complies with Section 213(a)(i) of the Original Indenture;

(ii) a copy, duly certified by the Secretary of the Issuer, of the resolution adopted and approved by the Issuer authorizing (A) the execution and delivery of the First Supplement, the First Amendment and a supplement to the Agency Agreement, (B) the issuance, sale, execution and delivery of the Series 2014A Bonds and (C) any other documents required to be executed and delivered by the Issuer in connection with the issuance of the Series 2014A Bonds;

(iii) a request and authorization to the Trustee on behalf of the Issuer, signed by the Chair and Secretary of the Issuer, to authenticate and deliver the Series 2014A Bonds in the aggregate principal amount of \$_____ to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization equal to the purchase price of the Series 2014A Bonds plus accrued interest (if any) thereon to the date of delivery;

(iv) an original duly executed counterpart of the First Supplement, the First Amendment and a Construction Agency Agreement relating to the Marmalade Project financed with the proceeds of the Series 2014A Bonds;

(v) a written opinion of Bond Counsel to the effect that the issuance of the Series 2014A Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Bonds then Outstanding;

(vi) a date-down endorsement to each ALTA mortgagee title insurance policy and, if requested by the Lessee, to the ALTA leasehold title insurance policy or a new ALTA mortgagee title insurance policy with comprehensive endorsement, with respect to any of the Marmalade Project for which disbursement from the related Project Account is to be authorized pursuant to the Indenture as of the date of original issuance of the Series 2014A Bonds, in form and content acceptable to the purchasers of the Series 2014A Bonds and, if the Lessee so desires and directs, an ALTA leasehold title insurance policy, or commitment therefor, in form and substance satisfactory to the Lessee, and which otherwise complies with Section 213(f) of the Original Indenture;

(vii) evidence that the insurance required by Article VII of the Lease is then in full force and effect;

(viii) a copy, duly certified by the Secretary of the Issuer, of all then existing Project Contracts relating to the Marmalade Projects and architect's agreements with respect thereto and the performance and payment bonds covering such Project Contracts (to the extent then available);

(ix) a written opinion of counsel to the Lessee as to the legal, valid and binding nature of the First Amendment as against the Lessee, and such other matters as may be reasonably required by the purchasers of the Series 2014A Bonds;

(x) a written opinion of counsel to the Issuer as to the legal, valid and binding nature of the First Amendment and the First Supplement as against the Issuer, and such other matters as may be reasonably required by the purchasers of the Series 2014A Bonds;

(xi) written evidence from each of the Appropriate Rating Agencies to the effect that the issuance of the Series 2014A Bonds will not by itself result in a reduction or withdrawal of the rating or ratings then in effect with respect to the Bonds then Outstanding;

(xii) a certificate of the Issuer that complies with Section 213(m) of the Original Indenture; and

(xiii) such other agreements, certificates, documents and opinions as are required to be delivered to the purchasers of the Series 2014A Bonds, each in form and substance satisfactory to the Trustee and, as to opinions, addressed to the Trustee if the Trustee so directs.

(d) The proceeds of sale of the Series 2014A Bonds shall be paid over to the Trustee and deposited to the credit of the Bond Fund, the 2014A Project Account, the 2014A Capitalized Interest Account, and the 2014A Costs of Issuance Fund as provided under Article IV hereof.

ARTICLE III

GENERAL COVENANTS

Section 301. Performance of Issuer's Covenants; Authority. The Issuer shall faithfully observe and perform at all times any and all covenants, conditions and agreements on its part contained in this First Supplement, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings of the Issuer pertaining thereto; *provided, however,* that the liability of the Issuer under any such covenant, condition or agreement for any breach or default by the Issuer thereof or thereunder shall be limited solely to the Revenues. The Issuer represents that (a) it is duly authorized under the Constitution and laws of the State of Utah, including particularly and without limitation the Act, to issue the Series 2014A Bonds, and to execute this First Supplement; (b) all action on its part for the issuance of the Series 2014A Bonds and the execution and delivery of this First Supplement and the First Amendment has been duly and effectively taken; and (c) the Series 2014A Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 302. Recordation of the First Amendment and First Supplement. The Issuer shall cause this First Supplement and the First Amendment and all supplements hereto and thereto as well as such other security instruments, financing statements, continuation statements and all supplements thereto and other instruments as may be required from time to time to be kept recorded and filed in such manner and in such places as may be required by law in order fully to

preserve and protect the security of the owners of the Bonds and the rights of the Trustee under the Indenture and to perfect the lien of, and the security interest created by, the Indenture.

Section 303. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out, and cause the Lessee to comply with and carry out, the respective agreements and obligations pursuant to the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Issuer to comply with its agreement under this Section 303 shall not constitute, and shall not be construed to constitute, an Event of Default under the Indenture or with respect to the Series 2014A Bonds; *provided, however*, that the Trustee may take, and, at the written request of any owner of Series 2014A Bonds then outstanding, shall take, such actions as may be necessary and appropriate, including seeking a writ of mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Section 303 or to cause the Lessee to comply with its obligations under Section 5.03 of the First Amendment.

ARTICLE IV

REVENUES AND FUNDS

Section 401. Creation of 2014A Capitalized Interest Account. There is hereby created by the Issuer and ordered established with the Trustee a separate, irrevocable trust account within the Capitalized Interest Fund to be designated “2014A Capitalized Interest Account,” which shall be used to pay the interest on the Series 2014A Bonds as provided in Section 402(b) hereof.

Section 402. Payments into Bond Fund from Capitalized Interest Fund.

(a) In addition to amounts that are required to be deposited into the Bond Fund pursuant to Section 403(a) of the Original Indenture, there shall be transferred into the Bond Fund, as and when required, any amount in the 2014A Capitalized Interest Account to be paid into the Bond Fund in accordance with Section 402(b) hereof.

(b) There shall be deposited into the 2014A Capitalized Interest Account (i) the amount specified in Section 404(a)(i) hereof, (ii) earnings on investments of moneys in the 2014A Capitalized Interest Account as provided in Section 501 of the Original Indenture and (iii) all other moneys received by the Trustee under and pursuant to any provisions of the Indenture that are required or that are accompanied by directions that such moneys are to be paid into the 2014A Capitalized Interest Account. The Lessee has agreed to cause the portion of the interest component of the Base Rentals allocable to the Marmalade Project prior to the Completion Date for such Project to be paid from the moneys in the 2014A Capitalized Interest Account or from other moneys legally available for such purpose in accordance with the terms provided in the Lease. The Trustee shall transfer automatically on each Bond Interest Payment Date to the Bond Fund from the 2014A Capitalized Interest Account any moneys necessary, to the extent moneys are not available in the Bond Fund for such payments, to pay interest on the Series 2014A Bonds allocable to the Marmalade Project then coming due. The Trustee shall use moneys in the 2014A Capitalized Interest Account for the payment of such portion of interest on the Series

2014A Bonds as herein provided that accrues on or before _____, _____ and is payable on or before _____, _____, and thereafter until all moneys in the 2014A Capitalized Interest Account are exhausted, subject to Section 502 of the Original Indenture.

Section 403. Creation of the 2014A Project Account. There is hereby created by the Issuer and ordered established with the Trustee a separate, irrevocable trust account within the Project Fund to be designated “2014A Project Account,” which shall be expended in accordance with the provisions of the Lease and this Article IV.

Section 404. Disposition of Proceeds of Sale of Series 2014A Bonds; Disbursements from the 2014A Project Account.

(a) The proceeds of the issuance and delivery of the Series 2014A Bonds shall be deposited as follows:

(i) to the 2014A Capitalized Interest Account, an amount equal to \$_____ to pay the interest on the Series 2014A Bonds to accrue from the 2014A Closing Date to _____, _____;

(ii) to the 2014A Costs of Issuance Fund, a sum equal to \$_____; and

(iii) to the 2014A Project Account, a sum equal to \$_____;

(b) The Trustee is hereby authorized and directed to make payments as requested by the Lessee from the 2014A Project Account to pay or reimburse (to the extent authorized) the Costs of Acquisition relating to the Marmalade Project, to make each disbursement otherwise required by the applicable provisions of the Lease and to issue its checks therefor, upon compliance with the procedures set forth in Section 408(b) of the Original Indenture, including the delivery of a written requisition or requisitions signed by an Authorized Lessee Representative and otherwise in the form required by Section 408(b) of the Original Indenture.

With respect to the initial disbursement that is requested to pay any portion of the Costs of Acquisition related to the Marmalade Project from the 2014A Project Account, and in addition to such other certificates, documents and instruments as the Lessee may be required to provide under Section 408(b) of the Original Indenture with respect to the disbursement requested thereby, the Trustee shall receive the following:

(i) with respect to the initial disbursement request for the Marmalade Facilities, evidence that marketable fee simple title to the land on which the Marmalade Facilities are to be located has been conveyed to the Issuer, free and clear of any liens or encumbrances other than Permitted Encumbrances;

(ii) the Lease (or a memorandum thereof) duly recorded or filed;

(iii) to the extent not previously delivered, an ALTA mortgagee title insurance policy with comprehensive endorsement (or comparable), or a commitment to issue such

a policy, issued by a title insurance company acceptable to the Trustee, issued in an amount equal to the Series 2014A Bonds, subject only to Permitted Encumbrances;

(iv) a satisfactory survey by a registered surveyor containing the same legal description of the Marmalade Site as in the mortgagee title insurance policy referred to in subsection (iii) above, showing the outline, the boundaries to the nearest 1/100 of an acre therein, the location of all existing improvements on such site, including any buildings, parking areas, driveways, sidewalks, curbs, adjoining streets and their relation to such improvements, set-back lines, encroachments, rights-of-way and easements, and showing the location of all abutting roadways, streets and alleys and showing other matters of interest (such survey shall contain the certificate of the surveyor as to the survey and the legal description);

(v) appropriate certifications of government agencies with respect to completion, including appropriate certificates of occupancy and zoning compliance (if applicable);

(vi) policies or certificates of insurance evidencing compliance by the Lessee with the requirements of Section 7.01 of the Lease; and

(vii) such other documents, certificates and instruments as the Trustee, the Issuer and their respective counsel shall reasonably require.

(c) In the event that the Marmalade Project is not completed on or prior to _____, _____, or if an Event of Nonappropriation or an Event of Default shall occur, the Trustee shall take such actions as may be authorized with respect to moneys then remaining in the Project Fund pursuant to Section 4.01(c) of the First Amendment and Section 5.01(c) of the Master Lease as the Trustee may deem appropriate in the best interests of the Owners of the Bonds.

Section 405. Creation of 2014A Costs of Issuance Fund; Disbursements from 2014A Costs of Issuance Fund. There is hereby created by the Issuer and ordered established with the Trustee an irrevocable trust fund to be designated “*Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds Series 2014A Costs of Issuance Fund,*” which shall be disbursed upon written instructions from the Lessee to the Trustee describing in reasonable detail the applications for such funds to pay the Costs of Issuance related to the Series 2014A Bonds and the persons to whom payment therefrom is to be made. Any moneys remaining in the 2014A Costs of Issuance Fund on _____, _____, shall be withdrawn by the Trustee and deposited into the 2014A Project Account, and the 2014A Costs of Issuance Fund shall thereupon be closed.

ARTICLE V

REDEMPTION OF SERIES 2014A BONDS

Section 501. Redemption of Series 2014A Bonds. No redemption of any Series 2014A Bond shall be made except to the extent and in the manner expressly permitted by the Indenture.

Section 502. Optional Redemption of the Series 2014A Bonds.

(a) The Series 2014A Bonds maturing on or before April 15, 2023, are not subject to redemption prior to maturity, except as otherwise provided in Section 603 of the Original Indenture. The Series 2014A Bonds maturing on or after April 15, 2024, shall be subject to redemption (i) in whole on any Optional Redemption Date (which will be the Optional Payment Date on which the Lessee elects to deposit an amount sufficient to purchase the Leased Property as provided in Section 14.01 of the Lease) on or after October 15, 2023, in the event that the Lessee exercises its option pursuant to Section 14.01 of the Lease to purchase the Leased Property on the applicable Optional Payment Date, or (ii) in part on October 15, 2023, or on any date thereafter from such maturities or portions thereof designated by the Lessee in a notice to the Trustee and the Issuer of the Lessee's intention to redeem Bonds in the event that the Lessee prepays additional Base Rentals pursuant to Section 3.02 of the First Amendment or purchases a portion of the Leased Property representing separate Facilities pursuant to Section 14.01 of the Lease. If called for redemption as provided in this subsection (a), the Series 2014A Bonds to be redeemed in whole or in part shall be redeemed at a redemption price, expressed as a percentage of the principal amount of the Series 2014A Bonds to be redeemed, equal to 100% of the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

(b) Upon receipt by the Trustee of notice that the Lessee intends to prepay additional Base Rentals pursuant to Section 3.02 of the First Amendment or exercise its purchase option with respect to all or a portion of the Leased Property as provided in Section 14.01 of the Lease, the Trustee shall give prompt written notice to each Bondowner in accordance with Section 608 of the Indenture. Such notice shall specify the Optional Payment Date as the Optional Redemption Date, shall direct the Bondowner to present its Series 2014A Bond at the principal corporate trust office of the Trustee on such date for payment of such Series 2014A Bond and shall state that, whether or not such Series 2014A Bond is surrendered for final payment, interest on the Series 2014A Bonds shall cease to accrue after the Optional Redemption Date if moneys sufficient to effect such redemption are on deposit with the Trustee on that date. The additional Base Rentals paid pursuant to Section 3.02 of the First Amendment and the Option Price or portion thereof paid pursuant to Section 14.01 of the Lease shall be paid to the Trustee on or before the Optional Redemption Date. The Trustee shall immediately deposit such additional Base Rentals and Option Price into the Redemption Fund.

Section 503. Mandatory Sinking Fund Redemption.

(a) The Series 2014A Bonds maturing on April 15, 20__, shall be subject to mandatory sinking fund redemption prior to their stated maturity, in part, by lot in such manner as the Trustee shall determine to be fair and equitable, on October 15 of each year commencing on April 15, 20__, to and including maturity on April 15, 20__, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the redemption date, but without premium, in the principal amounts as set forth below:

MANDATORY SINKING
FUND REDEMPTION DATE
APRIL 15

SINKING FUND
REQUIREMENTS

*

*Stated Maturity

(b) The principal of the Series 2014A Bonds to be redeemed in accordance with the provisions of this Section 503 shall be paid by the Lessee pursuant to the Lease to the Trustee and deposited in the Redemption Fund prior to the redemption date as provided in the Lease.

ARTICLE VI

AMENDMENT OF ORIGINAL INDENTURE

Section 6.01. Amendment of Article I of the Original Indenture. Article I of the Original Indenture is hereby amended to read as follows:

“Additional Projects” shall mean any “projects” within the meaning of the Act, in addition to the Glendale Facilities, the *Glendale Site*, the Marmalade Facilities and the Marmalade Site, to be Acquired as provided in the Original Indenture, as supplemented and amended from time to time.

“Leased Property” shall mean the Glendale Facilities, the Glendale Site, the Marmalade Facilities, the Marmalade Site and any Additional Projects, collectively, leased and to be leased to the Lessee pursuant to the Lease.

“Mortgaged Property” shall mean the Glendale Facilities, the Glendale Site, the Marmalade Facilities, the Marmalade Site and any Additional Projects, collectively, secured by a mortgage and to be secured by a mortgage, as defined in the Act, granted by the mortgagor thereof pursuant to the Indenture.

ARTICLE VII

MISCELLANEOUS

Section 701. Successors and Assigns; Parties in Interest. Whenever any of the parties hereto is referred to such reference shall be deemed to include the successors and assigns of such

party; and all the covenants, promises and agreements in this First Supplement contained by or on behalf of the Issuer or of the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not; and, other than the Lessee, no other person, firm or corporation shall have any right, remedy or claim under or by reason of this First Supplement. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this First Supplement or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Lessee and the Bondowners any legal or equitable right, remedy or claim under or in respect to this First Supplement. All covenants, stipulations, promises and agreements in the Indenture contained by or on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee and the Bondowners.

Section 702. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this First Supplement shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 702 shall be construed to amend or modify the immunities of the Issuer in its individual capacity provided for in Section 1101 of the Original Indenture or in Section 703 hereof, to amend or modify the immunities of the Lessee provided for in Section 1102 of the Original Indenture or Section 704 hereof or to amend or modify any limitations or restrictions on the Trustee or any Bondowner or their respective successors or assigns under Article X of the Original Indenture.

Section 703. Limitations of Liability of Issuer. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this First Supplement shall be deemed to be the respective limited covenants, stipulations, promises, agreements and obligations of the Issuer, and not of any officer, trustee, employee or agent of the Issuer, nor of any incorporator, trustee, employee or agent of any successor corporation to the Issuer, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any obligation, covenant, stipulation, promise or agreement contained herein or in any other document executed in connection herewith. Any and all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or otherwise, of any such person is hereby expressly waived and released by the Bondowners as a condition to and consideration for the issuance of the Series 2014A Bonds and the execution of this First Supplement. The Trustee and the Bondowners agree to look solely to the Trust Estate, including the Leased Property and the Revenues, for the payment of said interests or the satisfaction of such liability; *provided, however*, nothing herein contained shall limit, restrict or impair the rights of the Bondowners or the Trustee to exercise all rights and remedies provided under the Indenture or the Lease or otherwise realize upon the Trust Estate; and *provided further* that the Trustee may join the Issuer and the Lessee and their officers, trustees, agents and employees, in their capacities as officers, trustees, agents and employees of the Issuer or the Lessee, as defendants in any legal action it undertakes to enforce its rights and remedies under the Indenture.

Section 704. Limitations of Liability of Lessee. Nothing in this First Supplement shall be construed to require the governing body of the Lessee to appropriate any money for the performance of any obligation under the Indenture or the Lease. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the State or any

political subdivision of the State within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of the Lease nor the issuance of the Series 2014A Bonds directly or indirectly obligates the Lessee to make any payments under the Indenture or the Lease beyond those appropriated for the Lessee's then current Fiscal Year or to pay the Option Price.

Section 705. Release. The Trustee shall release this First Supplement and the liens and security interests granted hereby and by the Indenture by proper instrument or instruments upon presentation of satisfactory evidence that all interests hereby secured have been fully paid or discharged, except that the Trustee shall release the liens and security interests granted by the Indenture to the extent required, and at the times provided, in Section 6.03 of the First Amendment.

Section 706. Counterparts. This First Supplement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one First Supplement.

Section 707. Governing Law. This First Supplement and the Series 2014A Bonds shall be construed in accordance with and governed by the laws of the State of Utah, including but not limited to the Act.

Section 708. Headings. Any headings or captions preceding the text of the several Articles, Sections and Subsections of this First Supplement are intended solely for convenience of reference and shall not constitute a part of this First Supplement, nor shall they affect its meaning, construction or effect.

Section 709. Original Indenture Otherwise to Remain in Full Force and Effect. Except as otherwise herein expressly provided, the Original Indenture shall remain in full force and effect as originally executed and delivered.

(Signature page follows.)

IN WITNESS WHEREOF, the Issuer has caused this First Supplemental Indenture of Trust to be duly executed by its officers thereunto duly authorized, and U.S. Bank National Association, in evidence of its acceptance of the trusts hereby created, has caused this First Supplemental Indenture of Trust to be executed on its behalf by one of its Vice Presidents and to be attested by one of its Trust Officers, all as of the day and year first above written.

ISSUER:

LOCAL BUILDING AUTHORITY OF SALT LAKE
CITY, UTAH

By _____
President

[SEAL]

ATTEST:

By _____
Secretary/Clerk

APPROVED AS TO FORM:

By _____
Senior City Attorney

TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Trust Officer

ACKNOWLEDGMENTS

STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)

On the ____ day of _____, 2014, personally appeared before me _____ and _____, who affirmed that they are the President and Secretary/Clerk, respectively, of the Local Building Authority of Salt Lake City, Utah, the Utah nonprofit corporation described in and which executed the foregoing instrument, and that said instrument was signed in behalf of said corporation by authority of its bylaws and a resolution of its Board of Directors, and said _____ and _____, acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

NOTARY PUBLIC
Residing at: Salt Lake County, Utah

[SEAL]

My Commission Expires: _____

STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)

On the ____ day of _____, 2014, personally appeared before me _____, who affirmed that [he][she] is a _____ of _____, the national banking association described in and which executed the foregoing instrument, respectively, and that said instrument was signed in behalf of said banking association by authority of a resolution of its Board of Directors, and said officer acknowledged to me that said banking association executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

NOTARY PUBLIC
Residing at: _____, Utah

[SEAL]

My Commission Expires: _____

EXHIBIT A

The tract(s) of land constituting the Marmalade Site are located in Salt Lake County, State of Utah, and are more particularly described as follows:

EXHIBIT B

[FORM OF SERIES 2014A BOND]

Unless this Bond is presented by an authorized representative of DTC to the Trustee for registration of transfer, exchange, or payment, with respect to any Bond issued that 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
NUMBER R-__

REGISTERED
\$ _____

**UNITED STATES OF AMERICA
STATE OF UTAH**

**LOCAL BUILDING AUTHORITY OF SALT LAKE CITY, UTAH
LEASE REVENUE BOND, SERIES 2014A**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP:
_____%	_____, 20__	_____, 2014	_____

REGISTERED OWNER:

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

KNOW ALL MEN BY THESE PRESENTS that the Local Building Authority of Salt Lake City, Utah, a Utah nonprofit corporation, (the “*Issuer*”) acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of Salt Lake City, Utah (the “*City*”), for value received, hereby promises to pay, but only from the Trust Estate as provided in the Indenture (hereinafter defined), to the registered owner identified hereon, or registered assigns, on the maturity date specified hereon, upon presentation and surrender hereof, the principal amount specified hereon (the “*Principal Amount*”), and in like manner to pay to the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the Bond Interest Payment Date (as defined in the hereinafter defined Indenture) next preceding the date of registration and authentication hereof, unless this Bond is registered and authenticated as of a Bond Interest Payment Date, in which event the Principal Amount shall bear interest from such Bond Interest Payment Date, or unless this Bond is registered and authenticated prior to the first Bond Interest Payment Date, in which event the Principal Amount shall bear interest from the dated date specified above (the “*Dated Date*”), or unless, as shown by the records of the Trustee (hereinafter defined), interest on the Bonds is in default, in which event the Principal Amount shall bear interest from the date to which such interest has been paid in full, or unless no interest has been paid on this Bond, in

which event the Principal Amount shall bear interest from the Dated Date, at the interest rate per annum specified above (calculated on the basis of a year of 360 days completed of twelve 30-day months), paid semiannually thereafter on April 15 and October 15 of each year, commencing October 15, 2014, until payment in full of the Principal Amount, except as the provisions set forth in the Indenture with respect to redemption prior to maturity may become applicable hereto, and to pay interest on overdue principal at the lesser of the rate of ten percent (10%) per annum or the maximum rate permitted by law from the date on which such principal becomes due until the same is paid.

The principal of and premium, if any, on this Bond shall be payable at the Principal Corporate Trust Office of the Trustee (hereinafter defined), or at the principal corporate trust office of its successor, upon presentation and surrender hereof, and interest on this Bond shall be paid to the person in whose name this Bond is registered (the “*registered owner*”) in the registration books of the Issuer maintained by the Trustee (the “*Register*”) as of the close of business on the first day of the month in which each Bond Interest Payment Date occurs (the “*Regular Record Date*”) and shall be paid by check or draft drawn on the Trustee or its successor and mailed on the Bond Interest Payment Date to the registered owner hereof at the address on the Register or at such other address as is furnished to the Trustee in writing by the registered owner hereof prior to the Regular Record Date. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner hereof as of the close of business on a Special Record Date (as defined in the Indenture) for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owner hereof not less than ten days prior thereto. The principal of, and premium, if any, and interest on, the Bonds shall be paid in lawful money of the United States of America.

“*Principal Corporate Trust Office of the Trustee*” shall mean the office of the Trustee at U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101.

Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Indenture or the Lease (hereinafter defined), as applicable.

This Bond is one of the second series of Bonds (the “*Series 2014A Bonds*”), limited in aggregate principal amount to \$_____, issued or to be issued under and by virtue of the Local Building Authority Act, of Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “*Act*”), and under and pursuant to, and equally and ratably with said other Bonds secured by, the Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Original Indenture*”), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*” and, together with the Original Indenture, the “*Indenture*”), each between the Issuer and U.S. Bank National Association, as trustee (the “*Trustee*”), for the purpose of financing certain costs of certain projects pursuant to the Act consisting of (a) the acquisition, construction and improvement on a certain tract of land located in Salt Lake County, Utah (the “*Marmalade Site*”) of a new approximately 19,000 square foot library in the Marmalade neighborhood and

related improvements, facilities, fixtures, chattels, equipment, appliances, furniture, furnishings, machinery, inventory, supplies and maintenance and repair equipment (collectively, the “*Marmalade Facilities*”) for Salt Lake City, Utah (the “*Lessee*”).

As provided in the Indenture, the Issuer may hereafter issue Additional Bonds (as defined in the Indenture) from time to time under certain terms and conditions contained therein, and, if issued, such Additional Bonds will rank *pari passu* with the Series 2014A Bonds.

Pursuant to the Indenture and except as therein expressly provided, the Issuer has mortgaged, assigned and pledged to the Trustee for the benefit of the owners of the Bonds all of its right, title and interest in and to the Mortgaged Property (as defined in the Indenture) and the Lease. Copies of the Indenture are on file at the Principal Corporate Trust Office of the Trustee and reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuer, the Trustee and the owners of the Bonds, a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights with respect thereto, a description of the property mortgaged, the issuance of Additional Bonds and the other terms and conditions upon which the Bonds are or may be issued and secured, to all of the provisions of which the owner hereof, by the acceptance of this Bond, does hereby assent and agree.

Under that certain Master Lease Agreement, dated as of June 1, 2013 (the “*Master Lease*”), as amended and supplemented by a First Amendment to Master Lease, dated as of March 1, 2014 (the “*First Amendment*” and, together with the Master Lease, the “*Lease*”), the Leased Property (as defined in the Lease) have been leased by the Issuer to the Lessee, and the Lessee has agreed to pay directly to the Trustee (as assignee of the Issuer) the base rental payments (the “*Base Rentals*”) commencing on the later of the date the acquisition and construction of the Leased Property is completed and the Leased Property is available for use, occupancy and operation as provided in the Lease or _____, _____, in consideration of the Lessee’s right to use, occupy and operate the Leased Property. In addition to the Base Rentals, the Lessee has agreed to make certain other payments (the “*Additional Rentals*”) sufficient to pay the fees and expenses of the Trustee, certain insurance premiums, taxes, utility charges, costs of maintenance and repair and other expenses expressly required to be paid by the Lessee under the Lease.

The term of the Lease is subject to annual renewal with respect to the rights and obligations of the Lessee. The obligation of the Lessee to pay the Base Rentals and the Additional Rentals (collectively, the “*Rentals*”) under the Lease will terminate in the event that the governing body of the Lessee fails or refuses to appropriate, specifically with respect to the Lease, moneys sufficient to pay all the Base Rentals and reasonably estimated Additional Rentals for the next succeeding renewal term of the Lease or in the event of the unavailability of such moneys for such purpose for any other reason. In the event that the term of the Lease is terminated as to the Lessee’s possessory rights in the Leased Property as a result of the occurrence of any event described in the foregoing sentence (herein referred to as an “*Event of Nonappropriation*”) or is terminated by reason of the occurrence of an Event of Default (as defined in the Lease), the principal of and interest on the Bonds will be payable from such moneys, if any, as may be available for such purpose, including any moneys received by the

Trustee from foreclosure on and liquidation, reletting or sale of the Mortgaged Property as provided in the Indenture. Under certain circumstances, the principal of and interest on the Bonds may also be payable from the net proceeds of title or casualty insurance policies, performance bonds of contractors for the Marmalade Facilities, or condemnation awards, or the net proceeds received as a consequence of default under construction contracts with respect to the Marmalade Facilities. The term of the Lease may also be terminated in the event that the Lessee shall exercise its option (commencing October 15, 2023) to purchase the Leased Property by making payment of the Option Price (as defined in the Lease) as provided in the Lease. In the event that the Lessee shall pay the Option Price, the proceeds thereof are required to be used to redeem principal of the Bonds then outstanding in whole and interest thereon to the redemption date and premium (if any) thereon.

The Bonds are issuable solely as fully-registered Bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof (“*Authorized Denomination*”).

This Bond is transferable, as provided in the Indenture, only upon the Register, by the registered owner hereof in person or by such owner’s attorney duly authorized in writing upon surrender of this Bond to the Trustee together with a duly executed written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney. Upon such transfer, a new Bond or Bonds of the same aggregate principal amount and Series, designation, maturity and interest rate as the surrendered Bond will be issued to the transferee in exchange therefor, all subject to the terms and conditions set forth in the Indenture. The Issuer, the Trustee and any paying agent and registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond is overdue, for the purpose of receiving payment of or on account of principal or redemption price hereof and interest due hereon and for all other purposes, and neither the Issuer, the Trustee nor any paying agent and registrar shall be affected by any notice to the contrary.

The Series 2014A Bonds are not subject to call and redemption prior to maturity except as described below.

The Series 2014A Bonds maturing on or after April 15, 2024 shall be subject to redemption (i) in whole on any date on or after October 15, 2023, in the event that the Lessee exercises its option pursuant to the Lease to purchase the Leased Property on the applicable Optional Purchase Date, or (ii) in whole or in part on October 15, 2023, and on any Bond Interest Payment Date thereafter in the event that the Lessee prepays additional Base Rentals as authorized by the Lease, in either such case at a redemption price, expressed as a percentage of the principal amount of the Bonds to be redeemed, of 100% plus accrued interest thereon to the redemption date.

The Series 2014A Bonds shall be subject to redemption in part in inverse order of maturity (or sinking fund installment) and within each maturity as provided in the Indenture, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, but without premium, from certain excess moneys, if any, held in the Acquisition Fund under the Indenture upon completion of the acquisition, construction and improvement of the Marmalade Facilities. If called for redemption pursuant to this paragraph

(c), the Bonds to be redeemed shall be redeemed on the next Bond Interest Payment Date succeeding completion of the acquisition, construction and improvement of the Marmalade Facilities for which timely notice of redemption may be given in accordance with the Indenture.

The Series 2014A Bonds shall be subject to redemption prior to maturity in whole or in part from time to time, in inverse order of maturity and within each maturity as provided in the Indenture, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, but without premium, in the event that (i) the Marmalade Facilities are damaged or destroyed, in whole or in part, or the Mortgaged Property or any portion thereof is taken in a condemnation proceeding, or certain other events occur with respect to the title to the Mortgaged Property or construction defects in the Marmalade Facilities as described in the Lease, (ii) the net proceeds of any insurance policy, performance bond or condemnation award, or the net proceeds received as a consequence of defaults under any construction contract, made available by reason of one or more such occurrences, and any other legally available moneys, shall be insufficient to pay in full the cost of rebuilding, replacing or repairing the Leased Property and (iii) the Lessee elects, pursuant to the Lease, to waive its obligation to rebuild, repair or replace the affected portion of the Leased Property by depositing such net proceeds into the Redemption Fund under the Indenture for application to the redemption of the then outstanding Bonds in accordance with the Lease and the Indenture. If called for redemption pursuant to this paragraph, the Series 2014A Bonds to be redeemed shall be redeemed on such date or dates as the Trustee may determine to be in the best interests of the Bondowners, *provided* that the Trustee is obligated under the Indenture not to call the Series 2014A Bonds for redemption as described in this paragraph until at least six months have elapsed from the date of any foreclosure sale with respect to the Mortgaged Property.

The Series 2014A Bonds maturing on April 15, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity, in part, by lot in such manner as the Trustee shall determine to be fair and equitable, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the redemption date, but without premium, on the dates and in the principal amounts set forth below:

SINKING FUND REDEMPTION DATE (APRIL 15)	SINKING FUND REDEMPTION AMOUNT
---	--------------------------------------

*

* Stated Maturity.

The principal of the Series 2014A Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be paid pursuant to the Lease by the Lessee to the Trustee and deposited in the Bond Fund prior to the redemption date as provided in the Lease.

In the event any of the Series 2014A Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2014A Bonds (or portions thereof) to be redeemed and specifying the terms of such redemption will be given by mailing a copy of the redemption notice by first-class mail, postage prepaid, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Series 2014A Bond to be redeemed at the address shown on the Register; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Series 2014A Bond or portion thereof with respect to which no such failure has occurred. The principal of the Series 2014A Bonds so called for redemption will cease to bear interest after the specified redemption date, *provided* that sufficient funds for their redemption are on deposit at the place of payment at that time.

Less than all of a Series 2014A Bond in a denomination in excess of \$5,000 may be so redeemed, and in such case, upon the surrender of such Series 2014A Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Series 2014A Bond, at the option of such owner, Series 2014A Bonds of the same Series, designation, maturity and interest rate and in any of the authorized denominations, all as more fully set forth in the Indenture. In selecting portions of any Series 2014A Bond that is of a denomination greater than \$5,000 for redemption, the Trustee will treat each such Series 2014A Bond as representing that number of Series 2014A Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such Series 2014A Bond by \$5,000. If redeemed in part, the Series 2014A Bonds may only be redeemed in whole multiples of \$5,000.

Upon the termination of the Lessee's possessory interests in the Leased Property under the Lease by reason of the occurrence of an Event of Nonappropriation or an Event of Default, the Trustee shall give notice to the Lessee to vacate the Leased Property immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to pay all Rentals due for such Initial Term or Renewal Term, in the case of an Event of Nonappropriation) and shall have the right, at its option, without any further demand or notice, (a) to terminate the Lease or the Lessee's possessory rights thereunder (without otherwise terminating the Lease), re-enter the Mortgaged Property and eject all parties in possession thereof therefrom and relet the Mortgaged Property or then or at any time thereafter commence proceedings for the foreclosure on and liquidation, reletting or sale of the Mortgaged Property in the manner permitted by law and as otherwise provided in the Indenture, subject to the Trustee giving preference to those lessees or buyers whose use or ownership of the Leased Property would preserve the excludability from gross income for federal income tax purposes of interest on the Bonds; (b) to exercise any of the remedies provided to the Trustee upon the occurrence of an Event of Default under the Indenture as the Trustee shall determine to be in the best interests of the Bondowners and as are consistent with the terms and provisions for the exercise of such remedies provided in the Indenture, including but not limited to the exercise of such remedies as the Trustee may be entitled to as a secured party under the Utah Uniform Commercial Code; or (c) to take any action at law or in equity deemed necessary or desirable to enforce its and the Bondowners' rights with respect to the Mortgaged Property and the Lessee. All moneys then held in any fund or account under the Indenture shall be held by the Trustee for the benefit of the owners of the Bonds, except as

otherwise provided in the Indenture. The net proceeds received on such foreclosure, liquidation, reletting or sale and such other moneys shall be applied as provided in the Indenture. A BONDOWNER SHOULD NOT ANTICIPATE THAT IT WILL BE POSSIBLE TO FORECLOSE ON THE MORTGAGED PROPERTY AND LIQUIDATE, RELET OR SELL THE MORTGAGED PROPERTY AFTER THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT FOR AN AMOUNT EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT OF THE BONDS THEN OUTSTANDING PLUS ACCRUED INTEREST THEREON. The Indenture and ownership of any interest in the Mortgaged Property following foreclosure is subject to Permitted Encumbrances.

The Trustee may waive an Event of Nonappropriation or an Event of Default under certain circumstances as provided in the Lease and the Indenture.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before its stated maturity dates, together with interest accrued thereon. Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

Any consent or request by the registered owner of this Bond shall be conclusive and binding upon such registered owner and upon all future registered owners of this Bond and on any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or request is made upon this Bond.

THIS BOND IS ISSUED WITH THE INTENT THAT THE LAWS OF THE STATE OF UTAH SHALL GOVERN ITS LEGALITY, VALIDITY, ENFORCEABILITY AND CONSTRUCTION. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL BE PAYABLE SOLELY OUT OF BASE RENTALS RECEIVED BY THE TRUSTEE (AS ASSIGNEE OF THE ISSUER) UNDER THE LEASE. NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION OF THE STATE OF UTAH TO PAY THIS BOND OR THE PREMIUM (IF ANY) OR INTEREST HEREON OR TO APPROPRIATE ANY MONEY TO PAY THE SAME. PURSUANT TO SECTION 17D-2-505 OF THE ACT, THE ISSUER HAS SECURED THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON BY THE INDENTURE, PURSUANT TO WHICH THE MONEYS IN CERTAIN FUNDS AND ACCOUNTS CREATED THEREBY ARE PLEDGED TO THE PAYMENT OF THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST HEREON, TOGETHER WITH ALL OTHER SECURITY PROVIDED BY THE INDENTURE, INCLUDING A MORTGAGE LIEN ON THE MORTGAGED PROPERTY AND ON THE LEASEHOLD ESTATE CREATED UNDER THE LEASE. NEITHER THIS BOND NOR THE INTEREST HEREON SHALL CONSTITUTE OR GIVE RISE TO A GENERAL OBLIGATION OR LIABILITY OF, OR A CHARGE AGAINST, THE GENERAL CREDIT OR TAXING POWER OF THE ISSUER, THE LESSEE, THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION OF THE STATE OF UTAH. THE ISSUER HAS NO TAXING POWER.

THE OBLIGATION OF THE LESSEE TO MAKE PAYMENTS OF BASE RENTALS AND OTHER AMOUNTS UNDER THE LEASE IS ANNUALLY RENEWABLE AS PROVIDED THEREIN. THE OBLIGATION OF THE LESSEE TO MAKE SUCH PAYMENTS WILL NOT CONSTITUTE A DEBT OF THE LESSEE, THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUANCE OF THE BONDS NOR THE EXECUTION AND DELIVERY OF THE LEASE DIRECTLY OR CONTINGENTLY OBLIGATE THE LESSEE TO APPROPRIATE ANY MONEY TO PAY RENTALS UNDER THE LEASE OR TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE LESSEE'S THEN CURRENT FISCAL YEAR OR OBLIGATE THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE LESSEE TO THE EXTENT PROVIDED IN THE LEASE) TO PAY ANY RENTALS DUE TO THE ISSUER UNDER THE TERMS OF THE LEASE. NO PERSON EXECUTING THE BONDS OR THE LEASE SHALL BE SUBJECT TO PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS OR THE EXECUTION OF THE LEASE.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution or statutes of the State of Utah and by the Act and the Indenture 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 in due time, form and manner as required by law, and that the issue of the Series 2014A Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Local Building Authority of Salt Lake City, Utah has caused this Bond to be signed in its name and on its behalf by its President and attested by its Secretary/Clerk and has caused its corporate seal to be imprinted hereon, all as of the Dated Date.

LOCAL BUILDING AUTHORITY OF SALT LAKE
CITY, UTAH

By _____
President

ATTEST:

By _____
Secretary/Clerk

[SEAL]

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds of the issue described in the within-mentioned Indenture and is one of the Lease Revenue Bonds, Series 2014A, of the Local Building Authority of Salt Lake City, Utah.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Officer

Date of registration and authentication: _____, 2014.

TRUSTEE, REGISTRAR AND PAYING AGENT:
U.S. Bank National Association
170 South Main Street
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 sells, assigns and transfers unto

[Empty rectangular box]

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the LOCAL BUILDING AUTHORITY OF SALT LAKE CITY, UTAH and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the 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.

\$ _____
Local Building Authority of Salt Lake City, Utah
Lease Revenue Bonds
Series 2014A

PURCHASE CONTRACT

Local Building Authority of
Salt Lake City, Utah

Salt Lake City, Utah

March [4], 2014

Ladies and Gentlemen:

The undersigned George K. Baum & Company (the “*Underwriter*”), acting on behalf of itself and not as fiduciary or agent for you, offers to enter into this Purchase Contract with the Local Building Authority of Salt Lake City, Utah (the “*Issuer*”) and the Salt Lake City, Utah (the “*City*”) which, upon the acceptance by the Issuer and approval by the City of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon each of you and the Underwriter.

This offer is made subject to your mutual acceptance and approval on or before 11:59 p.m., Utah time, on March [4], 2014. Terms not otherwise defined herein shall have the same meanings as are set forth in the Preliminary Official Statement referred to hereinafter.

ARTICLE I

SALE, PURCHASE AND DELIVERY

Section 1.1. On the basis of the representations, warranties and agreements contained herein and upon the terms and conditions herein set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to sell to the Underwriter, the \$_____ aggregate principal amount of the Issuer’s Lease Revenue Bonds, Series 2014A (the “*Bonds*”), at a purchase price of \$_____ (representing the principal amount of the Bonds, [plus/less] [net] original issue [premium/discount] of \$_____, less an underwriting discount of \$_____). The Bonds will be dated their date of issuance, will mature on the dates and will bear interest at the rates per annum as set forth in *Schedule I* hereto and will be subject to redemption as provided in the hereinafter defined Indenture. The Bonds are described in the

Preliminary Official Statement dated February __, 2014 (together with all appendices thereto, the “*Preliminary Official Statement*”) and shall be issued and secured under and pursuant to the Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Original Indenture*”), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*” and, together with the Original Indenture, the “*Indenture*”), each between the Issuer and U.S. Bank National Association, as trustee (the “*Trustee*”), in the form heretofore delivered to the Underwriter with only such changes as shall be agreed upon among us. The Bonds are payable from certain Base Rentals to be paid by the City pursuant to a Master Lease Agreement, dated as of June 1, 2013 (the “*Master Lease*”), as amended by a First Amendment to Master Lease, dated as of March 1, 2014 (the “*First Amendment*” and, together with the Master Lease, the “*Lease*”), each between the Issuer and the City. The Bonds are authorized pursuant to the resolutions of the Issuer (collectively, the “*Bond Resolution*”) adopted by its Board of Directors on November 12, 2013 and [March 4], 2014, and approved pursuant to the resolution of the City Council (the “*Approval Resolution*”) adopted on November 12, 2013 and [March 4], 2014.

The Indenture, the Lease and the Continuing Disclosure Agreement (defined below) are sometimes referred to collectively herein as the “*Transaction Documents*”.

The Bonds are being issued for the purpose of (i) financing certain costs of acquiring, constructing and improving a new approximately 19,000 square foot library in the Marmalade neighborhood, as more fully described in the Preliminary Official Statement (the “*Project*”), (ii) providing capitalized interest on the Bonds and (iii) paying costs of issuance of the Bonds.

Pursuant to and subject to the terms of this Purchase Contract, all but not less than all of the Bonds shall be sold to the Underwriter, and the Underwriter shall be obligated to purchase all of the Bonds, if any are purchased, and the aggregate principal amount of the Bonds shall be delivered and accepted and paid for by the Underwriter on the Closing Date.

Section 1.2. The Underwriter agrees to make a public offering of the Bonds at the initial offering prices or yields set forth on the cover page of the Official Statement referred to hereinafter. The Underwriter may, however, change such initial offering prices or yields as it may deem necessary in connection with the marketing of the Bonds and offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth on the cover page of the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market and (b) to discontinue such stabilizing, if commenced, at any time without prior notice.

Section 1.3. (a) As soon as practicable following the Issuer’s acceptance and the City’s approval hereof, the Issuer shall deliver or cause to be delivered to the Underwriter one copy of the Official Statement relating to the Bonds, dated the date hereof (together with all appendices thereto, the “*Official Statement*”), substantially in the same form as the Preliminary Official Statement with only such changes therein as shall have been accepted by the Underwriter, signed on behalf of the Issuer by its President or Vice President. The Issuer and the City agree to

provide to the Underwriter within seven business days of the date hereof and in sufficient time to accompany confirmations that request payment from customers, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (“*Rule 15c2-12*”) under the Securities Exchange Act of 1934, as amended, and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

(b) By acceptance and approval of this Purchase Contract, the Issuer and the City hereby authorize the use of copies of the Official Statement and each of the Transaction Documents in connection with the public offering and sale of the Bonds. The Issuer and the City also acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer hereby confirms that it heretofore has “deemed final” the Preliminary Official Statement as of its date for purposes of paragraph (b)(1) of Rule 15c2-12, except for the omission of only such material as is permitted by such paragraph.

Section 1.4. In order to enable the Underwriter to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 in connection with the offering of the Bonds, the City covenants and agrees with the Underwriter that it will execute and deliver its Continuing Disclosure Agreement with respect to the Bonds in substantially the form attached as *Appendix E* to the Preliminary Official Statement (the “*Continuing Disclosure Agreement*”) on or before the Closing Date.

Section 1.5. At 9:00 a.m., Utah time, on [March 20], 2014 or on such later date as shall be agreed upon in writing by the Issuer, the City and the Underwriter (such time and date being herein referred to as the “*Closing*” or the “*Closing Date*”), the Issuer shall direct the Trustee to deliver the Bonds to The Depository Trust Company (“*DTC*”) for the account of the Underwriter in definitive form, duly executed and authenticated, and shall deliver to the Underwriter the other documents herein mentioned at the offices of Chapman and Cutler LLP (“*Bond Counsel*”), 201 South Main Street, Suite 2000, Salt Lake City, Utah 84111, or such other location as may be mutually agreed upon by the Issuer, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1.1 hereof in immediately available funds by federal funds check or wire transfer to the order of the Trustee for the account of the Issuer. The Bonds shall be issued in the form of one fully registered bond certificate for each stated maturity of the Bonds, shall be registered in the name of Cede & Co., as nominee for DTC and shall be made available to DTC for the account of the Underwriter, at least one full business day before the closing for purposes of inspection and packaging.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE ISSUER

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

Section 2.1. The Issuer is a nonprofit corporation incorporated, organized and existing pursuant to the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code annotated 1953, as amended, and a public entity and an instrumentality of the State of Utah pursuant to the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, with full legal right, power and authority (a) to execute, deliver and perform its obligations under this Purchase Contract; (b) to execute, deliver and perform its obligations under each of the Transaction Documents to which it is a party; (c) to issue, sell and deliver the Bonds to the Underwriter for the purposes contemplated by the Preliminary Official Statement and as provided herein; (d) to own, acquire, construct and equip the Project and to lease the Project to the City pursuant to the Lease; and (e) to carry out and to consummate the transactions on its part contained in this Purchase Contract, the Transaction Documents and the Official Statement, to pledge and assign to the Trustee the Trust Estate (as defined in the Indenture), including certain of its rights under the Lease and with respect to the Project and to mortgage the Project to secure the payment of the Bonds pursuant to the Indenture.

Section 2.2. When executed by the respective parties thereto, this Purchase Contract and each of the Transaction Documents to which the Issuer is a party will constitute legal, valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms (except as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights and by the availability of equitable remedies).

Section 2.3. The information and statements relating to the Issuer contained in the Preliminary Official Statement, as of its date and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading; and the information and statements relating to the Issuer contained in the Official Statement, as of its date and as of the Closing Date, are and will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make such information and statements, in the light of the circumstances under which they were made, not misleading.

Section 2.4. The Issuer has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Transaction Documents and this Purchase Contract and any and all other agreements relating thereto.

Section 2.5. By official action of the Issuer on or prior to the date hereof, the Issuer has duly adopted the Bond Resolution, has duly authorized and approved the execution and distribution of the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Transaction Documents and this Purchase Contract.

Section 2.6. The Issuer is not in material breach of or material default under any applicable law or administrative regulation of the State of Utah or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, indenture,

mortgage, lease, sublease or other instrument to which the Issuer is a party or to which it or any of its property is otherwise subject; and the execution and delivery of the Bonds, the Transaction Documents and this Purchase Contract, and compliance with the provisions of each thereof, will not materially conflict with or constitute a material breach of or material default under the Issuer's Articles of Incorporation or Bylaws or any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the Issuer is a party or to which it or any of its property is otherwise subject.

Section 2.7. Except as may be required under the securities or "blue sky" laws of any state, all approvals, consents, authorizations and orders of, filings with or certifications by any governmental authority, board, agency or commission having jurisdiction over the Issuer, which would constitute conditions precedent to the performance by the Issuer of its obligations hereunder and under the Transaction Documents to which the Issuer is a party and the Bonds have been obtained.

Section 2.8. No litigation, with merit, in the State of Utah or federal court has been served on the Issuer or is threatened: (a) affecting the existence of the Issuer or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the revenues or assets of the Issuer mortgaged, appropriated, encumbered or pledged pursuant to the Indenture or the Lease, (c) in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or any of the Transaction Documents or the transactions contemplated thereby, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or (e) contesting the powers of the Issuer or any authority for the issuance of the Bonds or the execution and delivery of this Purchase Contract or any of the Transaction Documents to which the Issuer is a party.

Section 2.9. The Issuer agrees reasonably to cooperate with the Underwriter in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request; *provided, however*, that the Issuer shall not be required with respect to the offer or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Issuer hereby consents to the use of the Official Statement and the Transaction Documents by the Underwriter in obtaining such qualification.

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

Section 2.11. The Issuer is not, nor has it been at any time, in default in the payment of principal of or interest on any obligations issued by the Issuer.

Section 2.12. No default or event of default has occurred and is continuing with respect to the Issuer, and no such event has occurred and is continuing which with the lapse of time, the giving of notice or both would constitute a default by the Issuer or an event of default under any of the Transaction Documents.

Section 2.13. Any certificate signed by an authorized officer of the Issuer and delivered to the Underwriter or the Trustee at or prior to the Closing shall be deemed a representation and warranty by the Issuer in connection with this Purchase Contract to the Underwriter or the Trustee (as the case may be) as to the statements made therein upon which the Underwriter and the Trustee shall be entitled to rely. The Issuer covenants that between the date hereof and the Closing Date, it will not take any action that will cause the representations and warranties made herein to be untrue as of the Closing Date.

Section 2.14. If at any time from the date of this Purchase Contract through 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is 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 Purchase Contract, 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 Purchase Contract by notification to the Issuer and 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.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE CITY

In order to induce the Underwriter to enter into this Purchase Contract, with full realization and appreciation of the fact that the investment value of the Bonds and the ability of the Issuer to sell and the Underwriter to resell the Bonds are dependent upon the credit standing of the City, and in consideration of the foregoing and execution and delivery of this Purchase Contract, the City represents and warrants to and covenants with the Underwriter as follows:

Section 3.1. The City is a validly organized and existing municipality and public body corporate and politic under the laws of the State of Utah with full power and authority to execute, deliver and perform its obligations under this Purchase Contract and the Transaction Documents, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

Section 3.2. The execution and delivery of each of the Transaction Documents to which the City is a party and the approval by the City of this Purchase Contract, compliance by the City with the provisions of any or all of the foregoing documents and the application of the proceeds of the Bonds for the purposes described in the Preliminary Official Statement do not and will not

materially conflict with or result in the material breach of any of the terms, conditions or provisions of, or constitute a material default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the City is a party or by which the City or any of its property is or may be bound.

Section 3.3. The City has duly authorized all necessary action to be taken by it for (a) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement and in the Indenture and the approval of this Purchase Contract; and (b) the execution, delivery and receipt of this Purchase Contract, each of the Transaction Documents to which the City is a party and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the City in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the excludability from gross income for federal income tax purposes of interest on the Bonds.

Section 3.4. When executed by the respective parties thereto, this Purchase Contract and the Transaction Documents to which the City is a party will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms (except as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights and by the availability of equitable remedies).

Section 3.5. The City has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Transaction Documents and this Purchase Contract and any and all other agreements relating thereto.

Section 3.6. No litigation, with merit, in the State of Utah or federal court has been served on the City or is threatened: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the revenues or assets of the City appropriated or pledged or to be appropriated or pledged to pay the Rentals payable under the Lease or the pledge or appropriation thereof, (c) in any way affecting or contesting the validity or enforceability of the Bonds, this Purchase Contract or any of the Transaction Documents, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or (e) contesting the powers of the City or any authority for the issuance of the Bonds or the execution and delivery of this Purchase Contract or any of the Transaction Documents or the transactions contemplated thereby.

Section 3.7. The City is not in material breach of or material default under any applicable law or administrative regulation of the State of Utah or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the City is a party or to which it or any of its property is otherwise subject; and the execution and delivery of this Purchase Contract, the Bonds and the Transaction Documents, and compliance with the provisions of each thereof, will not materially conflict with or constitute a material breach of or material default under any law,

administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the City is a party or to which it or any of its property is otherwise subject.

Section 3.8. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the Transaction Documents to which the City is a party in any manner or to any extent which could have a material adverse effect on the financial condition of the City, the operation of the City, the acquisition, construction and operation of the Project or the transactions contemplated by this Purchase Contract and the Preliminary Official Statement, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or any of the Transaction Documents to which the City is a party or in any way adversely affect the existence or powers of the City or the excludability from gross income for federal income tax purposes of interest on the Bonds.

Section 3.9. The City's audited financial statements as of, and for the year ended, June 30, 2012, copies of which have heretofore been delivered to the Underwriters, present fairly the financial position of the City at June 30, 2013, and the results of its operations and changes in financial position for the year then ended; any other statements and data submitted in writing by the City to the Underwriter in connection with the Transaction Documents and this Purchase Contract are true and correct in all material respects as of their respective dates; except as disclosed in the Preliminary Official Statement, since June 30, 2013, there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in the audited financial statements as of and for the year ended that date; and the City has not since June 30, 201[3], incurred any material liabilities, directly or indirectly, except as disclosed in the Preliminary Official Statement.

Section 3.10. The information contained in the Preliminary Official Statement relating to the City, the application of the proceeds of sale of the Bonds, and the participation by the City in the transactions contemplated by the Transaction Documents, this Purchase Contract and the Preliminary Official Statement was, as of its date, and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact relating to the City, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact relating to the City required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Section 3.11. The City will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or result in such proceeds being applied in a manner inconsistent with the Lease and the Indenture.

Section 3.12. The City hereby authorizes the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offering and sale of the Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Bonds.

Section 3.13. The City agrees to cooperate with the Underwriter in any endeavor to qualify the Bonds for offering and sale under the securities or “blue sky” laws of such jurisdictions of the United States as the Underwriter may request; *provided, however,* that the City shall not be required with respect to the offer or sale of the Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The City hereby consents to the use of the Official Statement and the Transaction Documents by the Underwriter in obtaining such qualification.

Section 3.14. If at any time from the date of this Purchase Contract through 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances 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 request that the Issuer 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 Purchase Contract, and if the Official Statement is amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Contract by notification to the City and the Issuer at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

Section 3.15. Except as described in the Preliminary Official Statement, the City has not, in the previous five years, failed to comply in any material respect with any undertaking entered into by it pursuant to paragraph (b)(5) of Rule 15c2-12.

Section 3.16. Each representation, warranty or agreement stated in any certificate signed by any officer of the City and delivered to the Underwriter or the Trustee at or before the Closing shall constitute a representation, warranty or agreement by the City upon which the Underwriter and the Trustee shall be entitled to rely.

ARTICLE IV

UNDERWRITER’S CONDITIONS

Section 4.1. The Underwriter has entered into this Purchase Contract in reliance upon the performance by the Issuer and the City of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter’s obligations under this Purchase Contract are and shall be subject to the following further conditions:

- (a) At the time of Closing, (1) the Official Statement, the Transaction Documents and this Purchase Contract shall be duly authorized, executed and delivered by the parties thereto, shall be in full force and effect and shall not have been amended,

modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, (2) the proceeds of sale of the Bonds shall be paid to the Trustee for deposit in accordance with the Lease and the Indenture and (3) the Issuer and the City shall each have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary to authorize the transactions contemplated hereby;

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

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

(2) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of the Underwriter, has the effect of requiring the offer or sale of the Bonds or the Lease to be registered under the Securities Act of 1933, as amended (the "*Securities Act*"), or any other "security," as defined in the Securities Act, issued in connection with or as part of the issuance of the Bonds to be so registered or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended, or any person to be registered as an investment company under the Investment Company Act of 1940, as amended; or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes or has made untrue or incorrect in any respect any statement or information contained in the Official Statement or is not or was not reflected in the Official Statement but was required to be stated therein or should have been stated therein in order to make the statements or information contained therein not misleading in any material respect;

(3) in the reasonable judgment of the Underwriter, it is impractical or inadvisable for the Underwriter to market or sell or enforce agreements to sell Bonds because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or a general banking moratorium shall have been established by federal, New York or Utah authorities, (B) the State of Utah shall have taken any action, whether administrative, legislative, judicial or otherwise, which would have a material adverse effect on the marketing or sale of the Bonds, including any action relating to (i) the tax-exempt status under Utah law of the interest to be received by any owner of the Bonds or (ii) a limitation on the ability of the City to levy ad valorem property taxes to pay Rentals under the Lease or (C) a war involving the United States or other national calamity shall have occurred; or

(4) any litigation shall be pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, any of the proceedings of the City, the Issuer or the Trustee taken with respect to the issuance or sale thereof, the pledge, appropriation or application of any moneys or securities provided for the payment of the Bonds or the existence or powers of the City, the Issuer or the Trustee;

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

(1) the approving opinion of Bond Counsel, dated the Closing Date, in substantially the form attached as *Appendix F* to the Official Statement;

(2) the opinion of counsel to the City, dated the Closing Date and addressed to the Underwriter and Bond Counsel, in form and substance satisfactory to the Underwriter;

(3) the opinion of counsel to the Issuer, dated the Closing Date and addressed to the Underwriter and Bond Counsel, in form and substance satisfactory to the Underwriter;

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

(5) an executed counterpart of the Continuing Disclosure Agreement of the City;

(6) the Issuer's certificate, dated the Closing Date, signed by its President and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the Issuer herein and in the Lease are true and correct in all material respects as of the Closing Date; (B) to the best of the Issuer's knowledge, after due inquiry, no litigation, with merit, in

the State of Utah or federal court has been served on the Issuer or is threatened (i) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of revenues pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Bonds, the validity of the Bonds, the Transaction Documents to which the Issuer is a party or this Purchase Contract or the excludability from gross income for federal income tax purposes of interest on the Bonds or (iii) in any way contesting the organization, existence or powers of the Issuer; (C) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (D) the Transaction Documents to which the Issuer is a party have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents constitute binding agreements of the Issuer enforceable in accordance with their respective terms except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies; (E) the Bond Resolution and the other resolutions of the Issuer authorizing the execution and delivery of the Transaction Documents and the Bonds have been duly adopted and have not been modified, amended or repealed; and (F) the execution and delivery of this Purchase Contract, the Bonds, the Transaction Documents to which the Issuer is a party and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or any law, public administrative rule or regulation, court order or consent decree to which the Issuer is subject;

(7) the City's certificate, signed by the Mayor, the City Recorder and the City Treasurer, dated the Closing Date, to the effect that (A) since June 30, 201[3], the City has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, results of operation or condition of the City that is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business; (B) to the best of the City's knowledge, after due inquiry, no litigation, with merit, in the State of Utah or federal courts has been served on the City or is threatened (i) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds, any of the Transaction Documents to which the City is a party or this Purchase Contract or the excludability from gross income for federal income tax purposes of interest on the Bonds or (ii) in any way contesting the powers or organization of the City; (C) the descriptions and information contained in the Official Statement relating to the City, its organization and financial and other affairs, and the application of the proceeds of sale of the Bonds are correct in all material respects, as of the date of the Official Statement and as of the Closing Date; (D) such descriptions and information, as of the date of the Official

Statement did not, and as of the Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) at the time of the Closing, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under any of the Transaction Documents to which the City is a party, or any other material agreement or material instrument to which the City is a party or by which it is or may be bound; (F) the Approval Resolution and the other resolutions of the City approving the execution of the Transaction Documents to which the City is a party and the Official Statement and the form of the Bonds has been duly adopted by the City and has not been modified, amended or repealed; (G) no event affecting the City has occurred since the date of the Official Statement that (i) either makes untrue or incorrect, as of the Closing Date, any statement or information relating to the same and contained in the Official Statement as required to be disclosed therein or (ii) was required to be stated in the Official Statement or should be stated therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading; and (H) the representations of the City herein and in the Lease are true and correct in all material respects as of the Closing Date;

(8) an executed copy of each of the Transaction Documents, duly executed by each of the parties thereto;

(9) an executed copy of the Tax Exemption Certificate and Agreement of the Issuer and the City, in form and substance satisfactory to Bond Counsel;

(10) a certified copy of the Approval Resolution of the City;

(11) a certified copy of the Bond Resolution of the Board of Directors of the Issuer;

(12) evidence satisfactory to the Underwriter that the Bonds have received ratings of “AA+” by Fitch Ratings Inc. (“*Fitch*”) and “Aa1” by Moody’s Investors Service, Inc. (“*Moody’s*”), which ratings shall not have been suspended or revoked;

(13) an executed copy of the Official Statement executed on behalf of the Issuer by the President of its Board of Directors;

(14) a specimen Bond;

(15) a copy of each of the documents required to be delivered pursuant to the Indenture with respect to the issuance of the Bonds;

(16) an executed copy of the Blanket Letter of Representations of the Issuer and DTC relating to the book-entry system for the Bonds;

(17) evidence satisfactory to the Underwriter of the issuance, delivery and payment for the Bonds;

(18) a copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G and evidence of the filing thereof; and

(19) such additional legal opinions, certificates, instruments and other documents as the Underwriter and Bond Counsel may reasonably require.

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

ARTICLE V

EXPENSES

All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, the execution and delivery of the Transaction Documents, including the costs of printing the Bonds, advertising costs, the costs of printing, duplicating and mailing the Preliminary Official Statement and the Official Statement, the fees of rating agencies, the initial fees of the Trustee in connection with the issuance of the Bonds, the fees and expenses of the financial advisor for the Issuer and the City, the fees and expenses of Bond Counsel, disclosure counsel, Underwriter's counsel and counsel for the Issuer and the City, costs of title insurance, and travel and other expenses shall be paid by or on behalf of the City and the Issuer from the proceeds of sale of the Bonds. All out-of-pocket expenses of the Underwriter shall be paid by the Underwriter.

ARTICLE VI

ETHICAL REPRESENTATIONS

The Underwriter represents that it has not: (a) provided an illegal gift or payoff to an officer or employee of the Issuer or the City or former officer or employee of the Issuer or the City, 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, an officer or employee of the Issuer or the City or former officer or

employee of the Issuer or the City to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

ARTICLE VII

GENERAL

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to George K. Baum & Company, 25 West South Temple, Suite 1090, Salt Lake City, Utah 84101. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to the Local Building Authority of Salt Lake City, Utah, 451 South State Street, Room 415, Salt Lake City, Utah 84111, Attention: Secretary/Clerk. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to Salt Lake City, Utah, 451 South State Street, Room 415, Salt Lake City, Utah 84111, Attention: Cindi Mansell. The approval or other action or exercise of judgment by the Underwriter shall be evidenced by a writing signed on behalf of the Underwriter and delivered to the Issuer.

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

The Issuer and the City acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction among the Issuer, the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer or the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer or 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 Issuer or the City on other matters) and the Underwriter has no obligation to the Issuer or the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and (v) the Issuer and the City consulted their own legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

This Purchase Contract shall be governed by the laws of the State of Utah.

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

This Purchase Contract shall become effective upon the acceptance hereof by the Issuer and the approval hereof by the City.

(Signature page follows.)

Very truly yours,

GEORGE K. BAUM & COMPANY

By _____
Its _____

LOCAL BUILDING AUTHORITY OF SALT LAKE
CITY, UTAH

By _____
President

APPROVED:

SALT LAKE CITY, UTAH

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder

[SEAL]

APPROVED AS TO FORM:

By _____
Senior City Attorney

SCHEDULE I

\$ _____
Local Building Authority of Salt Lake City, Utah
Lease Revenue Bonds
Series 2014A

MATURITY DATE (APRIL 15)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

[The Bonds maturing on April 15, _____, are subject to mandatory sinking fund redemption prior to their stated maturity, in part, by lot in such manner as the Trustee shall determine to be fair and equitable, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest thereon to the redemption date, but without premium, on the dates and in the principal amounts set forth below:

SINKING FUND REDEMPTION DATE (APRIL 15)	SINKING FUND REDEMPTION AMOUNT
	\$

*

* Stated Maturity.]

Resolution No. __ of 2014

A Resolution authorizing the issuance and approving the sale of Lease Revenue Bonds, Series 2014A, in the aggregate principal amount of \$_____; authorizing the execution and delivery of a First Supplemental Indenture of Trust, a First Amendment to Master Lease Agreement, a Construction Agency Agreement, a Tax Certificate, a Purchase Contract, a Preliminary Official Statement, a Continuing Disclosure Agreement and other agreements and documents required in connection therewith; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this Resolution.

WHEREAS, the Local Building Authority of Salt Lake City, Utah (the “*Issuer*”), has been duly organized as a Utah nonprofit corporation by Salt Lake City, Utah (the “*City*”), solely for the purpose of (a) accomplishing the public purposes for which the City exists by acquiring, constructing, improving or extending any improvements, facilities or properties (whether real or personal) and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, and (b) financing the costs of such projects on behalf of the City in accordance with the procedures and subject to the limitations of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “*Act*”), and other applicable Utah law;

WHEREAS, the Act provides that the Issuer may issue and sell its bonds for the purpose of paying the costs of acquiring, constructing, improving or extending a project (as such term is defined in the Act), and such bonds shall be secured by a pledge and assignment of the revenues received by the Issuer under the lease agreement with respect to the project financed or refinanced with the proceeds of the sale of such bonds and may be secured by (a) a mortgage covering all or any part of such project, (b) a pledge and assignment of the lease agreement for that project, (c) moneys held in reserve funds or (d) any other security devices with respect to the project as may be deemed most advantageous by the Issuer;

WHEREAS, pursuant to the provisions of Act, the Issuer has authority to accomplish the public purposes for which the City exists by acquiring, constructing, improving or extending any improvements, facilities or properties and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, and financing the costs of such projects on behalf of the City in accordance with the procedures and subject to the limitations of the Act;

WHEREAS, the City desires that the Issuer, on behalf of the City, (a) undertake the acquisition, construction and improvement of a new approximately 19,000 square foot library in the Marmalade neighborhood (the “*Marmalade Facilities*”), on land owned by the Issuer (the “*Marmalade Site*”), (b) provide capitalized interest to pay the portion of the interest accruing on the Series 2014A Bonds (defined below) during the acquisition, construction and improvement

of the Marmalade Facilities and (c) pay costs relating to the issuance and sale of the Series 2014A Bonds;

WHEREAS, the Issuer and the City will enter into a First Amendment to Master Lease Agreement, dated as of March 1, 2014 (the "*First Amendment*"), to that certain Master Lease Agreement, dated as of June 1, 2013 (the "*Master Lease*" and, together with the First Amendment, the "*Lease*"), a substantially final form of which is attached hereto as *Exhibit A*, pursuant to which the Issuer has agreed (a) to Acquire or to cause the Acquisition (as such terms are defined in the Lease) of the Marmalade Facilities (the "*Project*") and (b) to lease the Marmalade Facilities to the City, all on the terms and conditions set forth therein;

WHEREAS, the City will agree, as agent of the Issuer pursuant to that certain Construction Agency Agreement (Marmalade Project), dated as of March 1, 2014 ("*Construction Agency Agreement*"), the form of which is attached hereto as *Exhibit B*, to construct or to cause the construction of the Project as provided therein and in the Lease;

WHEREAS, pursuant to and in accordance with the provisions of the Act and the Indenture (defined below), the Issuer has determined that it is in the best interest of the Issuer and the City (a) to issue its \$_____ aggregate principal amount of Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A (the "*Series 2014A Bonds*") pursuant to this Resolution and an Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the "*Original Indenture*"), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the "*First Supplement*" and, together with the Original Indenture, the "*Indenture*"), each between the Issuer and U.S. Bank National Association, as trustee (the "*Trustee*"), the form of which is attached hereto as *Exhibit C*, to provide funds for the purpose of (i) paying a portion of the costs of Acquiring the Project as provided in the Lease, (ii) providing capitalized interest to pay the portion of interest accruing on the Series 2014A Bonds during the period of Acquisition of the Project and for a reasonable period thereafter not exceeding 12 months as permitted by the Act and (iii) paying costs of issuance relating to the issuance, sale and delivery of the Series 2014A Bonds, and (b) to lease the Leased Property (as defined in the First Amendment) to the City in consideration of certain Base Rentals (as defined in the First Amendment) and Additional Rentals (as defined in the First Amendment) to be paid as provided in the First Amendment, which will be sufficient (so long as the City extends the term of the Lease for each successive one-year renewal term) to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and certain other costs and expenses as provided in the First Amendment;

WHEREAS, the Issuer desires to provide for continuous compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "*Code*"), in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes by entering into such tax certificates and other agreements and certificates for such purposes as directed by bond counsel for the issuance of the Series 2014A Bonds;

WHEREAS, the Issuer has negotiated for the sale of the Series 2014A Bonds to George K. Baum & Company, as underwriter (the "*Underwriter*"), pursuant to that certain Purchase

Contract, dated as of the date hereof (the “*Purchase Contract*”), attached hereto as *Exhibit D*, among the Issuer, the City and the Underwriter, and in the opinion of the Issuer it is in the best interests of the City and the Issuer that the offer of the Underwriter to purchase the Series 2014A Bonds as provided in the Purchase Contract be accepted and sale of the Series 2014A Bonds to the Underwriter be ratified and confirmed;

WHEREAS, the Secretary/Clerk of the Issuer has presented to the Board of Trustees of the Issuer (the “*Board of Trustees*”) at this meeting the proposed form of each of the following agreements: (a) the First Supplement; (b) the First Amendment; (c) the Construction Agency Agreement and (d) the Purchase Contract, in connection with the issuance of the Series 2014A Bonds and the financing of the construction of the Project on the Marmalade Site;

WHEREAS, the City by resolution previously adopted on the date hereof has approved the issuance of the Series 2014A Bonds and the terms thereof for purposes of Section 17D-2-502(1) of the Act; and

WHEREAS, no petition requesting an election with respect to the Series 2014A Bonds has been submitted to the City or the Issuer pursuant to Section 17D-2-502(2) of the Act or otherwise;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the Local Building Authority of Salt Lake City, Utah, as follows:

Section 1. Definitions. Certain words and phrases are defined in the preambles hereto. Unless otherwise defined herein, all words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Resolution. In addition, the following words and phrases as used in this Resolution shall have the following meanings unless the context clearly indicates another or different meaning or intent:

“*Operative Agreements*” shall mean, collectively, the First Amendment, the First Supplement, Construction Agency Agreement and the Purchase Contract.

“*State*” shall mean the State of Utah.

“*Tax Certificate*” shall mean any agreement or certificate of the Issuer and the City which the Issuer and the City may execute in order to establish and maintain the excludability of interest on the Series 2014A Bonds from gross income of the owners thereof for federal income tax purposes.

Section 2. Issuance of the Series 2014A Bonds; Deposit of Proceeds. For the purpose of financing the Project, providing certain capitalized interest on the Series 2014A Bonds and paying the costs and expenses incidental thereto and to the issuance of the Series 2014A Bonds hereinafter described, a series of lease revenue bonds of the Issuer is hereby authorized to be issued pursuant to the Act and in accordance with and subject to the terms, conditions and limitations established in the Indenture and herein. Such series of bonds shall be designated “*Local Building Authority of Salt Lake City, Utah Lease Revenue Bonds, Series 2014A.*” The

proceeds of sale of the Series 2014A Bonds shall be deposited as provided in the Indenture and the Lease.

Section 3. Terms of the Series 2014A Bonds. (a) The Series 2014A Bonds shall be issued in the aggregate principal amount of \$_____ pursuant hereto and to the Indenture. The Series 2014A Bonds shall be issuable only as fully-registered bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000, shall be dated as of their date of delivery, shall mature on April 15 of each year, shall be in the amounts and shall bear interest from the date of delivery payable on October 15, 2014, and thereafter semiannually on April 15 and October 15 of each year until paid as provided in the Indenture at the rates per annum, as shown below:

MATURITY DATE (APRIL 15)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

(b) The Series 2014A Bonds and the Trustee’s certificate of authentication to be endorsed thereon shall be in substantially the forms set forth in the Indenture, which forms are hereby incorporated herein by this reference, and the provisions for the signatures, authentication, payment, places of payment, medium of payment, transfer, exchange, registration, number and other provisions thereof, to the extent not provided herein, shall be as set forth in the Indenture as finally executed and are hereby approved and hereby incorporated herein by this reference. The form of the Series 2014A Bonds submitted to this meeting as part of the Indenture is hereby approved, and when the same shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this Resolution in the aggregate principal amount herein provided, it shall represent the approved form of the Series 2014A Bonds of the Issuer.

(c) Upon the occurrence of an Event of Nonappropriation (as such term is defined in the Lease) or an Event of Default under the Lease or the Indenture, the Trustee shall be entitled to exercise such rights and remedies (including but not limited to the appointment of a receiver) as are provided in the Indenture or as are otherwise provided to the Issuer under the Act or other applicable law; *provided, however*, that no deficiency judgment upon foreclosure of the lien of the Indenture may be entered against the Issuer, the City, the State or any political subdivision of the State, except as otherwise expressly provided in the Indenture and as permitted by the Act.

Section 4. Execution of Series 2014A Bonds. The President of the Issuer (the “*President*”) is hereby authorized and directed to execute, and the Secretary/Clerk of the Issuer (the “*Secretary*”) is hereby authorized and directed to attest, the Series 2014A Bonds and each is hereby authorized and directed to deliver them to the Trustee for authentication pursuant to the Indenture. The corporate seal of the Issuer is hereby authorized and directed to be affixed to or imprinted on all Series 2014A Bonds.

Section 5. Redemption Provisions. The Series 2014A Bonds shall be subject to redemption as provided therein and in the Indenture.

Section 6. Limited Obligations. The Series 2014A Bonds, together with the interest and premium, if any, thereon, are not general obligations of the Issuer, but are limited obligations and, except for the security provided by the Indenture, all pursuant to Section 17D-2-505 of the Act, are payable solely out of Base Rentals received by the Trustee under the Lease and certain other amounts received under the Indenture. Nothing in this Resolution, the Indenture, or the Series 2014A Bonds shall be construed as requiring the State or any political subdivision of the State to pay any of the Series 2014A Bonds or to pay any of the premium (if any) or interest thereon or to appropriate any money to pay the same. Pursuant to the Act and the Indenture, the Series 2014A Bonds shall be secured by the Trust Estate which is specifically pledged, mortgaged, hypothecated, assigned and otherwise secured in the Indenture, subject to Permitted Encumbrances, all for the equal and ratable payment of the Series 2014A Bonds and any bonds hereafter issued on a parity with the Series 2014A Bonds under the Indenture and shall be used for no other purpose than to pay the principal of, and premium, if any, and interest on, the Series 2014A Bonds and such additional parity bonds, except as may be otherwise expressly authorized in the Indenture. Neither the full faith and credit nor the taxing powers of the State or any political subdivision of the State is pledged to the payment of the principal of, or premium, if any, or interest on, the Series 2014A Bonds or other costs appertaining thereto. The Series 2014A Bonds and the interest and premium, if any, thereon do not now and shall never constitute an indebtedness of the Issuer, the City, the State or any political subdivision of the State within the meaning of any State constitutional provision or limitation nor give rise to or be a general obligation or liability of nor a charge against the general credit or taxing powers of the State or any political subdivision of the State. No breach of any covenant or agreement in the Indenture or the Lease shall impose any general obligation or liability upon, nor a charge against, the City or the general credit or taxing power of the State or any of its political subdivisions. THE OBLIGATION OF THE CITY TO PAY BASE RENTALS AND OTHER AMOUNTS UNDER THE LEASE IS ANNUALLY RENEWABLE AS PROVIDED THEREIN. THE OBLIGATION OF THE CITY TO MAKE SUCH PAYMENTS WILL NOT CONSTITUTE A DEBT OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE ISSUANCE OF THE SERIES 2014A BONDS NOR THE EXECUTION AND DELIVERY OF THE LEASE DIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO APPROPRIATE ANY MONEY TO PAY ANY RENTALS UNDER THE LEASE OR TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE CITY’S THEN CURRENT FISCAL YEAR OR OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE CITY TO THE EXTENT PROVIDED IN THE LEASE) TO PAY ANY RENTALS DUE TO THE ISSUER UNDER THE TERMS OF THE LEASE. NO PERSON EXECUTING THE SERIES 2014A BONDS OR THE LEASE SHALL BE SUBJECT TO PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE SERIES 2014A BONDS OR THE EXECUTION OF THE LEASE.

Section 7. Sale of the Series 2014A Bonds. The sale of the Series 2014A Bonds to the Underwriter pursuant to the terms and provisions of the Purchase Contract at the price of \$_____ (representing the par amount of the Series 2014A Bonds, plus net original issue premium of \$_____ less an underwriter's discount of \$_____), and bearing interest as set forth in Section 3 of this Resolution and as provided in the Indenture, is hereby authorized and approved.

The President is hereby authorized, empowered and directed to execute and deliver the Purchase Contract on behalf of the Issuer and to sell the Series 2014A Bonds to the Underwriter as aforesaid, which is hereby authorized and approved, with such changes therein as are not inconsistent with this Resolution and as are approved by the President, his execution thereof to constitute conclusive evidence of such approval.

The Series 2014A Bonds mature prior to the expiration of the estimated useful life of the Project.

Section 8. Approval of Operative Agreements. The forms, terms and provisions of the First Amendment, the Construction Agency Agreement and the First Supplement are each hereby approved in substantially the forms presented at this meeting and attached hereto as *Exhibits A, B and C*, respectively, with such insertions, omissions and changes as shall be approved by the President or other members of the Board of Directors executing the same, the execution of such documents being conclusive evidence of such approval; and the President is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest, each of such Operative Agreements and any related exhibits attached thereto, and the Secretary is hereby authorized and directed to affix the corporate seal of the Issuer to each of such Operative Agreements.

Section 9. Final Official Statements; Official Statement Deemed Final. (a) The final Official Statement of the Issuer in substantially the form presented at this meeting and in the form of Preliminary Official Statement attached hereto as *Exhibit E*, with such changes, omissions, insertions and revisions as the President or Vice President shall deem advisable, is hereby authorized, and the President or Vice President shall execute and deliver such final Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2014A Bonds and other interested persons. The approval of the President or the Vice President of any such changes, omissions, insertions and revisions shall be conclusively established by the President's or Vice President's execution of the final Official Statement.

(b) The Issuer has previously deemed, and does hereby deem, final the Preliminary Official Statement, dated February __, 2014, 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 Series 2014A Bonds. The preparation and distribution of the Preliminary Official Statement is hereby ratified, approved and confirmed. All 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 10. Other Actions with Respect to the Series 2014A Bonds and the Operative Agreements. The officers and employees of the Issuer shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2014A Bonds and the execution and delivery of each of the Operative Agreements, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2014A Bonds and the execution and delivery of the Operative Agreements. If the President or the Secretary shall be unavailable to execute or attest (as applicable) the Series 2014A Bonds, the Operative Agreements or the other documents that they are hereby authorized to execute and attest, the same may be executed and attested (as applicable) by any other member of the Board of Directors or by any Assistant Secretary, respectively.

Section 11. Arbitrage Covenant; Covenant to Maintain Tax Exemption. (a) The President and the Treasurer of the Issuer are hereby authorized and directed to execute such Tax Certificates as shall be necessary to establish that (i) the Series 2014A Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations, (ii) the Series 2014A 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 10 will be complied with and (v) interest on the Series 2014A 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 Series 2014A 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 Series 2014A 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 Series 2014A Bonds, or any funds or accounts of the Issuer that may be deemed to be proceeds of the Series 2014A 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 Series 2014A Bonds, would have caused the Series 2014A 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 Series 2014A Bonds to be “private activity bonds” described in Section 141 of the Code;

(v) no bonds or other evidences of indebtedness of the Issuer have been or will be issued, sold or delivered within a period beginning fifteen (15) days prior to the sale of the Series 2014A Bonds and ending fifteen (15) days following the delivery of the Series 2014A Bonds, other than the Series 2014A Bonds;

(vi) it will not take any action that would cause interest on the Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A 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 Series 2014A Bonds to be or to become ineligible for the exclusion from gross income of the owners of the Series 2014A Bonds as provided in Section 103 of the Code;

(vii) it recognizes that Section 149(a) of the Code requires the Series 2014A 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 Series 2014A Bonds are initially delivered and the Issuer agrees that it will not take any action to permit the Series 2014A Bonds to be issued in, or converted into, bearer or coupon form except as provided in the Indenture; and

(viii) it acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest paid on the Series 2014A Bonds, under present rules, the Issuer is 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 Series 2014A Bonds with the requirements of Section 103 of the Code and the Regulations proposed or promulgated thereunder.

(f) The President is hereby authorized and directed to execute and cause the timely filing with the Internal Revenue Service of an Information Return for Tax-Exempt Governmental Obligation Issues (Form 8038-G) as required under Section 149(e) of the Code.

Section 12. Appointment of Trustee. U.S. Bank National Association, Salt Lake City, Utah, is hereby appointed as trustee under the Indenture, thereby also serving as paying agent and registrar under the terms of the Indenture.

Section 13. Resolution Irrepealable. After any of the Series 2014A Bonds are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Series 2014A Bonds and interest thereon shall have been fully paid, canceled and discharged.

Section 14. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution; *provided, however*, that nothing in this Section shall be construed to amend or modify the limitations provided in Section 6 hereof.

Section 15. Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 16. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

(Signature page follows.)

ADOPTED AND APPROVED by the Board of Directors of the Local Building Authority of Salt Lake City, Utah, this 4th day of March, 2014.

LOCAL BUILDING AUTHORITY OF SALT LAKE
CITY, UTAH

By _____
President

[SEAL]

ATTEST:

Secretary/Clerk

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT A

[ATTACH FORM OF FIRST AMENDMENT TO MASTER LEASE AGREEMENT]

EXHIBIT B

[ATTACH FORM OF CONSTRUCTION AGENCY AGREEMENT]

EXHIBIT C

[ATTACH FORM OF FIRST SUPPLEMENTAL INDENTURE OF TRUST]

EXHIBIT D

[ATTACH COPY OF PURCHASE CONTRACT]

EXHIBIT E

[ATTACH FORM OF PRELIMINARY OFFICIAL STATEMENT]

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY __, 2014**NEW ISSUE — BOOK-ENTRY ONLY****RATINGS: Moody's "Aa1"
Fitch "AA+"
See "BONDRATINGS" herein.**

Subject to compliance by the City and the Issuer with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2014A 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 Series 2014A Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See "TAX MATTERS" herein.

\$7,360,000*

**LOCAL BUILDING AUTHORITY OF
SALT LAKE CITY, UTAH
LEASE REVENUE BONDS
SERIES 2014A**

payable from annually renewable lease payments to be made by
SALT LAKE CITY, UTAH

DATED: Date of Delivery**DUE: April 15, as shown on the inside cover**

The Series 2014A Bonds are issued as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. Purchases of beneficial ownership interests in the Series 2014A Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Interest on the Series 2014A Bonds is payable on April 15 and October 15 in each year, commencing on October 15, 2014. So long as DTC or its nominee is the registered owner of the Series 2014A Bonds, payments of the principal or redemption price of and interest on the Series 2014A Bonds will be made directly to DTC. Disbursement of such payments to DTC participants is the responsibility of DTC, and disbursement of such payments to the beneficial owners is the responsibility of DTC participants.

The Series 2014A Bonds are subject to optional redemption, mandatory sinking fund redemption and extraordinary optional redemption prior to maturity upon the occurrence of certain events. See "THE SERIES 2014A BONDS — Redemption".

The Series 2014A Bonds are being issued by the Local Building Authority of Salt Lake City, Utah (the "Issuer") to finance the acquisition, construction and improvement of a new approximately 19,000 square foot library in the Marmalade neighborhood of Salt Lake City, Utah (the "Marmalade Project") for the benefit of Salt Lake City, Utah (the "City"). See "THE MARMALADE PROJECT". The Issuer will lease the Marmalade Project to the City pursuant to an annually-renewable master lease agreement (the "Lease").

The Series 2014A Bonds are issued and secured on a parity with all other bonds issued under the Indenture (the "Bonds"). The Issuer has mortgaged, pledged and assigned to the Trustee all of the Issuer's right, title and interest in and to the Mortgaged Property (as described herein) and its rights and interests as lessor under the Lease, including the right to receive the Base Rentals payable by the City. See "SECURITY FOR THE BONDS".

Under the Lease, the City has agreed to pay Base Rentals in amounts and at times that are sufficient to pay the debt service on the Bonds coming due in each fiscal year, but only if and to the extent that the City Council of the City annually appropriates funds sufficient to pay the Base Rentals coming due during the related Renewal Term of the Lease, plus such Additional Rentals as are necessary to operate and maintain the Leased Property. The City is not required to appropriate any moneys to pay the Base Rentals or Additional Rentals (collectively, the "Rentals"). **THE OBLIGATION OF THE CITY TO PAY ANY RENTALS IS SUBJECT TO ANNUAL APPROPRIATIONS BY THE CITY COUNCIL OF THE CITY AS PROVIDED IN THE LEASE. NEITHER THE OBLIGATION OF THE CITY TO PAY SUCH RENTALS NOR THE OBLIGATION OF THE ISSUER TO PAY THE SERIES 2014A BONDS CONSTITUTES A DEBT OF THE STATE OF UTAH, THE CITY OR ANY POLITICAL SUBDIVISION OF THE STATE OF UTAH. THE ISSUANCE OF THE SERIES 2014A BONDS DOES NOT DIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE CITY'S THEN-CURRENT FISCAL YEAR. THE ISSUER HAS NO TAXING POWER.** See "BONDOWNERS' RISKS".

The Series 2014A Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale and to the approval of legality by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City and the Issuer by Margaret D. Plane, Esq., City Attorney and counsel to the Issuer. Certain legal matters regarding this Official Statement will be passed on for the City and the Issuer by Chapman and Cutler LLP, Disclosure Counsel. It is expected that the Series 2014A Bonds will be available for delivery to DTC or its agent on or about March 20, 2014.

George K. Baum & Company

This Official Statement is dated _____, 2014, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

\$7,360,000*
LOCAL BUILDING AUTHORITY OF
SALT LAKE CITY, UTAH
LEASE REVENUE BONDS
SERIES 2014A

MATURITY (APRIL 15)	PRINCIPAL AMOUNT*	INTEREST RATE	YIELD
2016	\$260,000	%	%
2017	265,000		
2018	270,000		
2019	280,000		
2020	285,000		
2021	300,000		
2022	310,000		
2023	320,000		
2024	335,000		
2025	350,000		
2026	360,000		
2027	375,000		
2028	390,000		
2029	405,000		
2030	425,000		
2031	445,000		
2032	465,000		
2033	485,000		
2034	505,000		
2035	530,000		

* Preliminary; subject to change.

\$7,360,000*
LOCAL BUILDING AUTHORITY
OF SALT LAKE CITY, UTAH
LEASE REVENUE BONDS, SERIES 2014A

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

BOARD OF DIRECTORS/OFFICERS

Charlie Luke.....	President
Luke Garrott.....	Vice President
Lisa Ramsey Adams	Director
Kyle LaMalfa.....	Director
Erin J. Robinson Mendenhall.....	Director
Stan Penfold.....	Director
James Rogers	Director
Cindi Mansell.....	Secretary/Clerk
Marina Scott.....	Treasurer
Gina Chamness	Budget Officer

CITY COUNCIL

Charlie Luke.....	Council Chair
Luke Garrott.....	Council Vice Chair
Lisa Ramsey Adams	Council Member
Kyle LaMalfa.....	Council Member
Erin J. Robinson Mendenhall.....	Council Member
Stan Penfold.....	Council Member
James Rogers	Council Member

CITY ADMINISTRATION

Ralph Becker.....	Mayor
David Everitt.....	Chief of Staff
Margaret D. Plane	City Attorney
Cindi Mansell.....	City Recorder
Marina Scott.....	City Treasurer

BOND COUNSEL

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

INDEPENDENT AUDITORS

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5 Triad Center, Suite 750
Salt Lake City, Utah 84180
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FINANCIAL ADVISOR

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41 North Rio Grande
Suite 101
Salt Lake City, Utah 84101
(801) 596-0700; (801) 596-2800 (Fax)

TRUSTEE, REGISTRAR AND PAYING AGENT

U.S. Bank National Association
170 South Main
Suite 200
Salt Lake City, Utah 84101
(801) 534-6083; (801) 534-6013 (Fax)

* Preliminary; subject to change.

The information set forth herein has been obtained from the Issuer, the City, The Depository Trust Company and other sources believed to be reliable. No dealer, broker, salesperson or any other person has been authorized by the Issuer, the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer, the City or the Underwriter. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of, the Series 2014A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Issuer the City or in any other information contained herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SERIES 2014A BONDS. SUCH TRANSACTIONS MAY INCLUDE OVERALLOTMENTS IN CONNECTION WITH THE PURCHASE OF SERIES 2014A BONDS, THE PURCHASE OF SERIES 2014A BONDS TO STABILIZE THEIR MARKET PRICE, THE PURCHASE OF SERIES 2014A BONDS TO COVER THE UNDERWRITER'S SHORT POSITIONS AND THE IMPOSITION OF PENALTY BIDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

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

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

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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\$7,360,000*
LOCAL BUILDING AUTHORITY OF
SALT LAKE CITY, UTAH
LEASE REVENUE BONDS
SERIES 2014A

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto (the “*Official Statement*”), is furnished to prospective purchasers in connection with the sale and delivery of \$7,360,000* aggregate principal amount of Lease Revenue Bonds, Series 2014A (the “*Series 2014A Bonds*”) by the Local Building Authority of Salt Lake City, Utah (the “*Issuer*”).

THE ISSUER AND THE CITY

The Issuer is a non-profit corporation incorporated, organized and existing pursuant to the Utah Revised Nonprofit Corporation Act, Chapter 6a of Title 16 of the Utah Code Annotated, 1953, as amended (the “*Utah Code*”), and as provided in the Local Building Authority Act (the “*Act*”), Chapter 2 of Title 17D of the Utah Code. The Issuer was created in 2011 by the City Council of Salt Lake City, Utah (the “*City*”), for the purpose of acquiring, improving, or extending one or more projects on behalf of the City pursuant to the Act and financing and refinancing the costs of such projects. See “THE ISSUER” below.

The City is the capital of the State of Utah (the “*State*”) and most populous city in the State, with a current population of approximately 189,400. The City is the center of a metropolitan area with a population of approximately 1,200,000, and is the business, financial and government center for the State. For additional information regarding the City, see APPENDIX A and APPENDIX B.

PURPOSE OF THE SERIES 2014A BONDS

The Series 2014A Bonds are being issued to (a) finance the acquisition, construction and improvement of a new approximately 19,000 square foot library in the Marmalade neighborhood of the City (the “*Marmalade Project*”), (b) provide capitalized interest on the Series 2014A Bonds and (c) pay costs of issuance of the Series 2014A Bonds. See “THE MARMALADE PROJECT” and “SOURCES AND USES OF FUNDS” herein. Pursuant to an annually-renewable Master Lease Agreement, dated as of June 1, 2013 (the “*Master Lease*”), as amended and supplemented by the First Amendment to Master Lease Agreement, dated as of March 1, 2014 (the “*First Amendment*”) and, collectively with the Master Lease, the “*Lease*”), the Issuer will acquire, construct and improve the Marmalade Project and lease the Marmalade Project to the City.

* Preliminary; subject to change.

AUTHORITY OF THE SERIES 2014A BONDS

The Series 2014A Bonds are being issued pursuant to (a) resolutions of the Board of Directors of the Issuer (the “*Board*”) adopted on November 12, 2013 and _____, 2014 (b) resolutions of the City Council of the City (the “*City Council*”) adopted on November 12, 2013 and _____, 2014, (c) the hereinafter described Indenture and (d) the Act.

SECURITY FOR THE SERIES 2014A BONDS

The Series 2014A Bonds are issued and secured under an Indenture of Trust, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Master Indenture*”), as amended and supplemented by the First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*”) and, collectively with the Master Indenture, the “*Indenture*”) between the Issuer and U.S. Bank National Association, as Trustee (the “*Trustee*”).

The Indenture provides for the issuance of bonds (the “*Bonds*”) from time to time by the Issuer to finance and refinance the cost of “*projects*” (the “*Projects*,” as defined in the Act). As of the date of this Official Statement, there is \$7,180,000 principal amount of Bonds (not including the Series 2014A Bonds) outstanding under the Indenture (the “*Outstanding Parity Bonds*”).

All Bonds issued under the Indenture are special and limited obligations of the Issuer payable solely from and secured solely by a pledge of the “*Trust Estate*” granted under the Indenture, which includes, among other things:

- (1) all of the Issuer’s rights as lessor under the Lease, including the right to receive and collect all Base Rentals and Additional Rentals (collectively, the “*Rentals*”) and all other amounts payable by the City under the terms of the Lease;
- (2) mortgage and security interests in the real and personal property comprising certain of the Projects (the “*Mortgaged Property*”); and
- (3) the amounts held by the Trustee in certain Funds established under the Indenture.

The Series 2014A Bonds and all other Bonds are payable on a parity with one another and are equally and ratably secured under the terms of the Indenture. See “*SECURITY FOR THE BONDS*” below.

While not pledged to the payment of the Series 2014A Bonds, the City currently levies a tax, pursuant to Section 9-7-401 of the Utah Code, to establish and maintain a public library system (the “*Library Levy*”). All revenues collected from the Library Levy may only be used for City library purposes. In 2009, City Council approved an increase to the Library Levy with the intention, in part, to establish a library in the Marmalade neighborhood of the City. The City may, but is not obligated to, appropriate a portion of the money received

pursuant to the Library Levy to pay Rentals (as defined below) relating to the Marmalade Project.

THE LEASED PROPERTY

The Lease provides for the leasing of one or more Projects from the Issuer to the City. In compliance with the provisions of the Act, the Lease provides that the City is under no obligation to pay any Rentals with respect to any Project until the acquisition and construction of such Project is completed. Upon substantial completion of acquisition and construction of a Project, such Project becomes “Leased Property” for purposes of the Lease and the City is obligated to pay Rentals for its use of such Leased Property upon the terms and conditions set forth in the Lease. The Marmalade Project will become “Leased Property” upon its substantial completion and availability for use by the City.

In June of 2013, the Issuer issued it \$7,180,000 aggregate principal amount of Lease Revenue Bonds, Series 2013A (the “*Series 2013A Bonds*”), to finance the acquisition and construction of a new library for the Glendale neighborhood of the City (the “*Glendale Facilities*”). As of the date of this Official Statement, the Glendale Facilities are incomplete and as such do not yet constitute Lease Property under the Lease.

For a further description of the Leased Property, see “THE LEASED PROPERTY” below.

The facilities constructed as the Marmalade Project (the “*Marmalade Facilities*”) and the Glendale Project are or will be mortgaged or otherwise encumbered to secure the repayment of the Bonds and constitute the Mortgaged Property described in this Official Statement. See “SECURITY FOR THE BONDS” and “THE MARMALADE PROJECT” below.

RENTALS UNDER THE LEASE

Under the Lease, the City has agreed to make payments in stated amounts that are sufficient to pay the principal of and interest on the Bonds coming due in each fiscal year (the “*Base Rentals*”) and such additional amounts as are necessary in each year to operate, maintain, repair and insure the Leased Property and to pay certain other costs and expenses (the “*Additional Rentals*”). The City’s obligation to pay the Base Rentals and the Additional Rentals (collectively, the “*Rentals*”) in each year is subject to the condition that the City Council annually appropriates funds sufficient to pay the Rentals coming due during the related one-year renewal term (each, a “*Renewal Term*”) of the Lease. The Lease specifically provides that nothing therein shall be construed to require the City Council to appropriate any money to pay any Rentals and that the City shall not be obligated to pay such Rentals except to the extent appropriated.

THE OBLIGATION OF THE CITY TO PAY ANY RENTALS IS ANNUALLY RENEWABLE AS PROVIDED IN THE LEASE. NEITHER THE OBLIGATION OF THE CITY TO PAY RENTALS NOR THE OBLIGATION OF THE ISSUER TO PAY THE SERIES 2014A BONDS WILL CONSTITUTE A DEBT OF THE CITY OR THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF.

THE ISSUANCE OF THE SERIES 2014A BONDS DOES NOT DIRECTLY OR CONTINGENTLY OBLIGATE THE CITY TO PAY ANY RENTALS BEYOND THOSE APPROPRIATED FOR THE CITY'S THEN CURRENT FISCAL YEAR. THE ISSUER HAS NO TAXING POWER.

Under the Lease, the City is entitled to not appropriate Rentals for the next succeeding Renewal Term with respect to all of the Leased Property, but is not entitled to elect to appropriate with respect to less than all of the Leased Property. In other words, the City Council's decision under the Lease whether to appropriate Rentals for each succeeding Renewal Term is "all or nothing."

BONDOWNERS' RISKS

Certain risks are associated with the purchase of the Series 2014A Bonds. See "BONDOWNERS' RISKS" below for a discussion of such risks.

GENERAL

The descriptions and summaries of the Lease and the Indenture and various other documents herein set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to such documents. Capitalized terms used but not otherwise defined herein have the same meaning as ascribed to them in the Lease and the Indenture. See "SUMMARIES OF PRINCIPAL DOCUMENTS—CERTAIN DEFINITIONS" in APPENDIX C.

THE SERIES 2014A BONDS

GENERAL

The Series 2014A Bonds are issuable only in fully registered form without coupons in the denomination of \$5,000 or any integral multiple thereof. The Series 2014A Bonds are dated as of the date of issuance thereof, and bear interest (computed on the basis of a year of 360 days consisting of twelve 30-day months) at specified rates, payable on April 15 and October 15 in each year, commencing October 15, 2014 (collectively, the "*Bond Interest Payment Dates*"), and mature on April 15 of the years and in the amounts, all as set forth on the inside cover page of this Official Statement.

In the event that the Series 2014A Bonds are not held in the book-entry system described below, the principal or redemption price of the Series 2014A Bonds is payable at the principal corporate trust office of the Trustee in Salt Lake City, Utah, upon presentation and surrender of the Series 2014A Bonds. Interest on each Series 2014A Bond will be paid to the person who is the registered owner thereof as of the close of business on the fifteenth day of the month preceding such Bond Interest Payment Date (the "*Regular Record Date*") and will be paid by check or draft drawn on the Trustee, as Paying Agent, and mailed on the Bond Interest Payment Date to the registered owner thereof at the address on the registration

books maintained by the Trustee or at such other address as is furnished to the Trustee in writing by the registered owner thereof prior to the Regular Record Date, notwithstanding the cancellation of any such Series 2014A Bond upon any exchange or transfer thereof after the Regular Record Date and prior to such Bond Interest Payment Date. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof as of the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof as of the close of business on a Special Record Date (fixed by the Trustee as provided in the Indenture) for the payment of any such defaulted interest. The principal of, and premium, if any, and interest on, the Series 2014A Bonds will be paid in lawful money of the United States of America.

BOOK-ENTRY SYSTEM

DTC or its agents will act as securities depository for the Series 2014A Bonds. The Series 2014A Bonds will be initially issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). Initially, one fully-registered Series 2014A Bond certificate will be issued for each maturity of the Series 2014A Bonds in the aggregate principal amount of such maturity and will be deposited with the Trustee, as the agent of DTC. See "APPENDIX D—BOOK-ENTRY SYSTEM" below.

REDEMPTION

Optional Redemption. The Series 2014A Bonds maturing on or before April 15, 2023 are not subject to redemption prior to maturity, except as described below under "*Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation.*"

The Series 2014A Bonds maturing on and after April 15, 2024 are subject to redemption (1) in whole on any business day on or after October 15, 2023, in the event that the City exercises its option to purchase the portion of the Leased Property constituting the Marmalade Project and deposits an amount sufficient to effect such purchase pursuant to the Lease on the applicable Optional Purchase Date, or (2) in whole or in part (if in part in any integral multiple of \$5,000) on October 15, 2023 and on any Bond Interest Payment Date thereafter in the event that the City prepays additional Base Rentals pursuant to the Lease. Any redemption of the Series 2014A Bonds as described in (1) or (2) above will be at a redemption price (expressed as a percentage of the principal amount of Series 2014A Bonds called for redemption) of 100% plus accrued interest thereon to the redemption date.

Upon receipt by the Trustee of notice that the City intends to exercise its purchase option as provided in the Lease, the Trustee will give prompt written notice to each Bondowner in accordance with the Indenture. Such notice will specify the purchase date as the Optional Purchase Date, will direct the Bondowner to present its Series 2014A Bond at the Principal Corporate Trust Office of the Trustee on such date for payment and will state that interest will cease to accrue after the redemption date if moneys sufficient to effect such redemption are on deposit with the Trustee on the redemption date.

*Mandatory Sinking Fund Redemption.** The Series 2014A Bonds maturing on April 15, 20__ (the “*Series 2014A Term Bonds*”) are subject to mandatory sinking fund redemption prior to their stated maturity in part, by lot at a redemption price equal to 100% of the principal amount thereof together with interest accrued thereon to the redemption date, without premium, by operation of mandatory sinking fund payments. The Indenture requires funds to be provided in each year commencing on April 15, 20__, and continuing to April 15, 20__, sufficient to redeem and pay the principal amount of Series 2014A Term Bonds as follows:

APRIL 15 OF THE YEAR	PRINCIPAL AMOUNT
	\$

*

* Stated Maturity.

Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation. The Series 2014A Bonds are subject to redemption prior to maturity in whole or in part from time to time, in inverse order of maturity, on such date or dates as the Trustee determines as described below, at a redemption price equal to 100% of the principal amount of Series 2014A Bonds to be redeemed, together with accrued interest thereon to the redemption date (to the extent that funds are available for such purposes), but without premium, in the event that (1) the Leased Property is damaged or destroyed, in whole or in part, or the Leased Property or any portion thereof is taken in a condemnation proceeding, or certain events occur with respect to the title to the Leased Property or construction defects in the Leased Property as described in the Lease, (2) the Net Proceeds of any insurance policy, performance bond or condemnation award, or the Net Proceeds received as a consequence of defaults under any Project Contract, plus all amounts required to be paid as deductibles thereunder, made available by reason of one or more such occurrences, are insufficient to pay in full the cost of rebuilding, replacing or repairing the Leased Property and the failure to repair, rebuild or replace shall not materially detract from the value of the Leased Property and (3) the City elects to waive its obligation to rebuild, repair or replace the affected portion of the Leased Property in accordance with the Lease. If so called for redemption, the Series 2014A Bonds will be subject to redemption on the next Bond Payment Date that the Trustee determines to be in the best interests of the Bondowners; *provided, however*, that if a foreclosure sale of the Mortgaged Property has occurred, the Trustee will not call the Series 2014A Bonds for redemption until at least six months have elapsed from the date of such foreclosure sale. See “SUMMARIES OF PRINCIPAL DOCUMENTS—THE LEASE—Damage, Destruction and Condemnation” in APPENDIX C hereto.

* Preliminary; subject to change.

PARTIAL REDEMPTION OF SERIES 2014A BONDS

In the case of a partial redemption of Series 2014A Bonds when Series 2014A Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 of principal amount will be treated as though it were a separate Series 2014A Bond of the denomination of \$5,000 for all purposes in connection with such partial redemption. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Series 2014A Bond is to be called for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the owner of such Series 2014A Bond must forthwith surrender such Series 2014A Bond to the Trustee (1) for payment of the \$5,000 unit or units of face value called for redemption and (2) for exchange, without charge to the owner thereof, for a new Series 2014A Bond of the same series designation, maturity and interest rate and in any Authorized Denomination of the principal amount equal to the unpaid balance of the principal amount of the Series 2014A Bond to be so redeemed. If the owner of any such Series 2014A Bond of a denomination greater than \$5,000 fails to present such Series 2014A Bond to the Trustee for redemption and exchange, the amount to be redeemed with respect to such Series 2014A Bond will, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest will cease to accrue on the principal amount of the Series 2014A Bond represented by such \$5,000 unit or units of face value on and after the redemption date and (funds sufficient for the payment of the redemption price having been deposited with the Trustee) such Series 2014A Bond will not be entitled to the benefit or security of the Indenture to the extent of the portion of its principal amount represented by such \$5,000 unit or units of principal amount nor will new Series 2014A Bonds be thereafter issued corresponding to said unit or units. Series 2014A Bonds will be redeemed only in the principal amount of \$5,000 each or integral multiples thereof.

With respect to any partial redemption of less than all of a particular maturity of Series 2014A Bonds, the Series 2014A Bonds to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee shall determine to be fair and equitable.

NOTICE OF REDEMPTION; DEPOSIT OF MONEYS

Notice of the call for any redemption, identifying, among other things, the Series 2014A Bonds (or portions thereof) to be redeemed, the redemption date and specifying the terms of such redemption, will be given by the Trustee (upon being satisfactorily indemnified as to expenses) by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of each Series 2014A Bond to be redeemed (in whole or in part); *provided, however*, that failure to give such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of any Series 2014A Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided in the Indenture will be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all Series 2014A Bonds called for redemption,

which moneys are or will be available for redemption of Series 2014A Bonds, such notice may state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice will be of no effect unless such moneys are so deposited.

On or prior to the date fixed for any redemption of Series 2014A Bonds, the moneys required for such redemption will be deposited with the Trustee by or on behalf of the Issuer. The Series 2014A Bonds called for redemption will cease to bear interest after the specified redemption date; *provided* that sufficient funds for redemption are on deposit with the Trustee.

As provided in the Indenture, the Trustee is required to give further notice of redemption to certain registered national securities depositaries and national information services; *provided, however*, that no defect in such further notice or failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption.

SECURITY FOR THE BONDS

SPECIAL OBLIGATIONS; PLEDGE OF THE INDENTURE

The Bonds and all payments by the Issuer under the Indenture do not constitute or give rise to a pecuniary liability of the City under the Lease or a charge against its general credit or taxing powers, but are limited obligations payable solely from the Revenues. The Issuer has no taxing power.

All Bonds issued under the Indenture are parity obligations of the Issuer and are equally and ratably secured under the Indenture. The Bonds are special and limited obligations of the Issuer payable solely from and secured solely by a pledge of the "Trust Estate" granted under the Indenture which includes: (1) all right, title and interest of the Issuer in and to the Revenues and all of the Issuer's rights as lessor under the Lease, including the right to receive and collect all Rentals and all other amounts payable by the City under the terms of the Lease; (2) mortgage and security interests in the Mortgaged Property; (3) the amounts held by the Trustee in certain Funds established under the Indenture; and (4) certain other amounts, rights and interests specified in the Indenture.

The Revenues pledged under the Indenture include: (1) all Base Rentals and certain of the Additional Rentals payable by the City under the Lease; (2) the net proceeds of property and casualty insurance (including self-insurance by the City) with respect to the Projects, to the extent not applied to their repair or restoration; (3) the net proceeds received from any liquidation, reletting or sale of any of the Mortgaged Property realized upon the exercise of remedies under the Indenture or certain mortgages with respect to the Mortgaged Property; (4) the Option Price payable by the City upon its exercise of its purchase option with respect to any of the Leased Property under the Lease; and (5) certain other amounts specified in the Indenture.

The Base Rentals payable by the City under the Lease constitute the primary source of payment of the Bonds. The Base Rentals are remitted directly to the Trustee for the account of the Issuer and are deposited into the Bond Fund. Such payments, sufficient in amount to insure the prompt payment of the principal of, and premium, if any, and interest on, the Bonds (so long as the City appropriates sufficient moneys annually to pay Rentals accruing during each succeeding Renewal Term) are pledged by the Issuer in the Indenture to secure the payment of the principal of, and premium, if any, and interest on, the Bonds. This pledge constitutes a first and exclusive lien on the Base Rentals for the payment of the principal of, and premium, if any, and interest on, the Bonds in accordance with their terms.

ADDITIONAL BONDS

Additional Bonds may be issued to provide funds to pay one or more of the following: (1) the costs of making such additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or changes in, on or to the Leased Property as the City may deem necessary or desirable; (2) the costs of acquiring, constructing, improving or extending any additional sites, buildings and equipment, or any combination thereof, for the use and benefit of the City; (3) the costs of refunding a series of Bonds; (4) the costs of the issuance and sale of the Additional Bonds; (5) interest during the estimated period of acquisition and construction and for a period of up to 12 months thereafter and (6) any combination of such purposes as described under “SUMMARIES OF PRINCIPAL DOCUMENTS—THE INDENTURE—Additional Bonds” in APPENDIX C hereto. All Additional Bonds will be secured equally by the lien of the Indenture and will rank on a parity with the Series 2014A Bonds, and, unless provided otherwise in a supplement to the Indenture, will be in substantially the same form as the Series 2014A Bonds, but will bear such date or dates, bear such interest rate or rates, have such maturity date or dates, redemption dates and redemption premiums, and be issued at such prices as are approved in writing by the Issuer and the City.

The Issuer, on behalf of the City, may undertake the acquisition of various projects within the next year and issue its lease revenue bonds to finance such projects.

THE LEASE

The Series 2014A Bonds are payable from Base Rentals due under the Lease and certain other revenues as provided in the Indenture, and are secured under the Indenture on a parity with the Outstanding Parity Bonds and any Additional Bonds. As of the date of this Official Statement, the City Council has annually renewed the term of the lease for each Renewal Term through the Renewal Term ending June 30, 2014 (consisting of one such Renewal Term), and the City has paid, when due, all Rentals, in any, that have become due under the Lease. Any subsequent Renewal Terms are subject to the exercise by the City, in its sole discretion, of its option under the Lease to extend the term of the Lease for 20 additional one-year Renewal Terms commencing on July 1, 2014 through July 1, 2034, and a final Renewal Term commencing July 1, 2034 and ending April 16, 2035, unless terminated earlier. For circumstances under which the Lease will be terminated, see “SUMMARIES OF PRINCIPAL DOCUMENTS—THE LEASE—Expiration or Termination of the Term of the

Lease” in APPENDIX C hereto. The renewal of the term of the Lease and the obligation of the City to pay Base Rentals after June 30, 2014, are subject to the appropriation by the City Council of sufficient funds to extend the term of the Lease for the next Renewal Term and for each succeeding Renewal Term thereafter. Neither the Lease nor the Bonds constitute a general obligation or indebtedness of the City within the meaning of any constitutional or statutory debt limitation. The City has not pledged its credit to the payment of the Rentals or the Bonds, and the City is not directly or contingently obligated to apply money from, or to levy or pledge, any form of taxation to the payment of the Rentals or the Bonds. THE ISSUER HAS NO TAXING POWER. See “BONDOWNERS’ RISKS” below.

In the event that the City appropriates sufficient funds to extend the term of the Lease for the next Renewal Term, the City is required to pay semiannually to the Trustee specified Base Rentals that are designed to be sufficient, in both time and amount, to enable the Issuer to pay, when due, the principal of and interest on the Bonds. The City has covenanted in the Lease to cause to be included in its annual tentative budget prepared in accordance with applicable law an item for expenditure of an amount necessary (after taking into account any moneys then legally available for such purpose) to pay the Base Rentals and any reasonably estimated Additional Rentals during the next succeeding Renewal Term. See “SUMMARIES OF CERTAIN PRINCIPAL DOCUMENTS—THE LEASE—Covenant to Request Appropriations” in APPENDIX C hereto.

In the event that the City does not appropriate sufficient funds to extend the term of the Lease, and the Lease thereby expires by its terms at the end of any Renewal Term, the City will have no further payment obligation under the Lease, except for the Base Rentals which are payable prior to the termination of the Lease. Upon such expiration, the Trustee may exercise one or more of the rights provided in the Lease and the Indenture, including the right to recover and liquidate, relet or sell the Mortgaged Property (but only to the extent authorized in the Indenture), and apply the proceeds of such liquidation, reletting or sale, if any, together with the moneys in the Bond Fund (other than any moneys to be paid into the Rebate Fund), to the payment of principal of all then outstanding Bonds and accrued interest thereon. However, due to the nature of the Leased Property, it is unlikely that revenues from such sources would be sufficient to pay in full all then outstanding Bonds if payment were then due by acceleration or otherwise. Should such a shortfall occur, the Bonds would be paid on a *pro rata* basis as provided in the Indenture. See “BONDOWNERS’ RISKS” below.

Under the Lease, the City is entitled not to appropriate Rentals for the next succeeding Renewal Term with respect to all of the Leased Property, but it is not entitled to elect to appropriate with respect to less than all of the Leased Property. In other words, the City Council’s decision under the Lease whether to appropriate Rentals for a succeeding Renewal Term is “all or nothing”.

MAINTENANCE AND INSURANCE ON THE LEASED PROPERTY

The City has agreed in the Lease, at its own expense, to maintain, manage and operate the Leased Property and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The City will provide or cause to be provided all security,

custodial, janitorial service, power, gas, telephone, light, heating, water and all other public utility services. As provided in the Lease, the Issuer, the Trustee and the owners of the Bonds will not have any obligation to incur any expense of any kind or character for the management, operation or maintenance of the Leased Property during the term of the Lease.

The Leased Property is required to be insured by policies of insurance or by self-insurance to the extent described in APPENDIX C under “SUMMARIES OF PRINCIPAL DOCUMENTS—THE LEASE—Insurance.” All net proceeds of performance or payment bonds, proceeds (including any moneys derived from any self-insurance program) from policies of insurance required by the Lease or condemnation awards, or any proceeds resulting from a default under a Project Contract (except liquidated damages, which will be disposed of in accordance with the Lease) or any other contract relating to the Mortgaged Property which are received by the Trustee will be deposited into the Insurance Fund under the Indenture. An authorized representative of the City in accordance with the Lease will file a certificate with the Trustee, within 90 days after the occurrence of the event giving rise to such Net Proceeds, directing the application and disbursement of such funds (other than any amount required to be transferred to the Rebate Fund) as follows:

- (1) to the prompt repair, replacement, restoration, modification or improvement of the damaged or destroyed portion of Mortgaged Property if such certificate states that such Net Proceeds, together with any other funds lawfully available to the City for such purpose, are sufficient to pay in full the costs of such repair, replacement, restoration, modification or improvement, or
- (2) to the redemption, in whole or in part, of the Bonds in accordance with the Indenture, but only upon receipt of such certificate of the authorized representative of the City.

THE LEASED PROPERTY

Upon their substantial completion and availability for use by the City, the Leased Property will consist of the Marmalade Project (as described under “THE MARMALADE PROJECT” below) and the Glendale Facilities, as described below. A mortgage or security interest will be created against all of the Leased Property. The term “Mortgaged Property” in this Official Statement includes all of the Leased Property. Upon the occurrence of an Event of Default under the Indenture, the Trustee may exercise various remedies with respect to the Mortgaged Property under the Indenture and the mortgage for the benefit of the owners of the Bonds. See “SECURITY FOR THE BONDS—The Lease and the Indenture” above. Under the Lease, an Event of Nonappropriation will occur (and, correspondingly, an Event of Default will occur under the Indenture) if the City Council fails or refuses to specifically appropriate moneys sufficient to pay the Rentals with respect to any of the Leased Property coming due in any fiscal year under the Lease.

The Glendale Facilities. The Glendale Facilities consists of an approximately 19,000 square foot branch library on approximately 1.09 acres of property in the Glendale neighborhood of the City. The Glendale Facilities will be the sixth branch library in the Salt

Lake City Public Library System and will be a single story facility with landscaping and parking adequate for 20 or more vehicles. The interior will have the capacity to house a collection of 60,000 items. The Glendale Facilities will also contain a large meeting room, seven small meeting/study rooms, an area for children’s programming, a creative space for teens, a small serving/preparation area to support the large public meeting space, and a secure exterior garden area.

CROSS-COLLATERALIZATION

Pursuant to the Indenture and the Lease and in the event that Additional Bonds are issued and additional property or facilities are added as Mortgaged Property, the Issuer has granted and will grant to the Trustee for the benefit of the owners of all of the Bonds issued and outstanding under the Indenture a mortgage lien on, and security interest in, all of the Issuer’s right, title and interest in and to each component of the Mortgaged Property to the extent provided in the Indenture. The occurrence of an Event of Default under the Indenture (including an Event of Nonappropriation under the Lease) will entitle the Trustee to exercise its rights and remedies to the extent provided in the Indenture against any or all of the Mortgaged Property in such manner and order as the Trustee determines to be in the best interests of the owners of the Bonds then outstanding.

RELEASE OF MARMALADE PROJECT

Pursuant to the terms of the Indenture, if payment of principal of and interest on the Bonds is not then in default and no other Event of Default has occurred under the Indenture and is then continuing, the Trustee’s rights and interests with respect to the Projects will terminate and be released on the following dates:

PROJECT	RELEASE DATE	SUBJECT TO MORTGAGE	PRINCIPAL COMPONENT OF REMAINING BASE RENTALS	YEAR OF COMPLETION
Glendale Facilities	October 16, 2034	Yes	\$ 7,180,000	2014 (est.)
Marmalade Facilities	April 16, 2035	Yes	<u>7,360,000*</u>	2015 (est.)
TOTAL			<u>\$14,540,000*</u>	

* Preliminary; subject to change.

The Trustee’s rights and interests with respect to portions of the Projects may also be released prior to the date set forth above in the event that the City provides for payment of the portion of its Rentals under the Lease allocable to such facility by depositing moneys and Government Obligations with the Trustee that mature in amounts (without reinvestment) and at times sufficient to pay such portion of the Rentals and upon satisfaction of certain other conditions provided in the Lease.

THE MARMALADE PROJECT

The Series 2014A Bonds are being issued to finance the cost of acquiring, constructing and improving an approximately 19,000 square foot branch library (the Marmalade Project) on approximately four acres of property in the Marmalade neighborhood of Salt Lake City, Utah (the “*Marmalade Site*”). The Marmalade Project will be the seventh branch library in the Salt Lake City Public Library System and will be a two story facility with landscaping and parking adequate for 16 or more vehicles. The interior will have the capacity to house a collection of 50,000 items. The Marmalade Project will also contain an 160 seat auditorium space with retractable seating that can be divided into two smaller meeting spaces, five additional small meeting/study rooms, an area for children’s programming, an outdoor area adjacent to the building for additional programming, a creative space for teens, second floor balconies and a small café. The Marmalade Project has been designed and will be constructed to be energy efficient and is expected to meet or exceed qualifications for LEED Silver certification.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2014A are shown below:

SOURCES OF FUNDS:

Par Amount of Series 2014A Bonds	\$
Net Original Issue Premium.....	_____
Total	\$_____

USES OF FUNDS:

Costs of Marmalade Project.....	\$
Capitalized Interest ¹	_____
Costs of Issuance ²	_____
Total	\$_____

1 Interest capitalized through October 15, 2015.

2 Costs of Issuance include Underwriter’s discount, legal, rating agency and Trustee fees and other costs and expenses related to the issuance of the Series 2014A Bonds.

DEBT SERVICE SCHEDULE

The Lease requires semi-annual Base Rental payments to be made by the City to the Issuer, which Base Rentals have been assigned to the Trustee pursuant to the Indenture. Such Base Rentals are sufficient to pay the principal of and interest on the Bonds coming due during the term of the Lease, assuming that the City appropriates sufficient funds to extend the term of the Lease for each Renewal Term.

The Base Rentals to be paid by the City will be credited accordingly against amounts deposited or transferred into the Bond Fund.

The following table shows the scheduled annual Base Rental payments for the entire term of the Lease (assuming that the City appropriates annually sufficient moneys to pay all Base Rentals under the Lease for all Renewal Terms), which are equal to the payments of principal (including payments pursuant to mandatory sinking fund redemption) of and interest on the Bonds for each of the City’s fiscal years ending June 30:

FISCAL YEAR ENDING JUNE 30	SERIES 2014A BASE RENTALS		OUTSTANDING PARITY BONDS BASE RENTALS**	FISCAL TOTAL
	PRINCIPAL COMPONENT*	INTEREST COMPONENT		
2014	\$ -	\$	\$ 205,127.43	\$
2015	-		250,325.00	
2016	260,000		512,675.00	
2017	265,000		512,325.00	
2018	270,000		511,875.00	
2019	280,000		511,325.00	
2020	285,000		514,175.00	
2021	300,000		510,400.00	
2022	310,000		509,875.00	
2023	320,000		512,375.00	
2024	335,000		509,375.00	
2025	350,000		511,737.50	
2026	360,000		509,487.50	
2027	375,000		511,800.00	
2028	390,000		508,675.00	
2029	405,000		510,112.50	
2030	425,000		510,000.00	
2031	445,000		508,300.00	
2032	465,000		506,000.00	
2033	485,000		508,000.00	
2034	505,000		504,300.00	
2035	<u>530,000</u>		<u>504,900.00</u>	
TOTAL:	<u>\$7,360,000</u>	<u>\$</u>	<u>\$10,653,164.93</u>	<u>\$</u>

* Preliminary; subject to change.

** Excludes capitalized interest.

Source: Financial Advisor

THE ISSUER

ESTABLISHMENT

On October 25, 2011, the City Council enacted Resolution No. 37 of 2011 which, pursuant to and under the authority of the Act, provided for the creation of the Issuer. The Issuer was incorporated on October 26, 2011, as a non-profit corporation under the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code.

The Issuer is to be of perpetual duration as set forth in its Articles of Incorporation. The Issuer has at the present time no full-time employees or other personnel other than its governing Board as described below. The Issuer has no property, money or other assets, except for those that are to be purchased with the proceeds of the Bonds, as described under “THE LEASED PROPERTY” and “THE MARMALADE PROJECT” above. The principal place of business and office of the Issuer is indicated on the inside front cover of this Official Statement.

CORPORATE POWERS

The Issuer has been incorporated for the purpose of acquiring, improving or extending one or more projects and financing and refinancing their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Act, in order to accomplish the public purposes for which the City exists.

The Issuer has all of the powers provided for in the Act and in the Constitution and laws of the State of Utah. The Issuer may not, however, undertake the acquiring, improving or extending of a project or the financing or refinancing of a project without prior authorization therefor by the City Council. The Issuer has been organized as a non-profit corporation and its Articles of Incorporation expressly require that it remain a non-profit corporation.

The Issuer may not be dissolved unless all of its outstanding bonds and other obligations are paid in full as to principal, interest and redemption premiums, if any, or unless provision for the payment of the same when due has been made. Whenever bonds, notes or other evidences of indebtedness issued by the Issuer are satisfied, discharged and retired, title to all real and personal property financed with the proceeds of such bonds, notes or other evidences of indebtedness is required to be forthwith transferred to the City.

STATUTORY POWERS

Under the Act, the Issuer has the power to, among other things: (1) construct, acquire, improve, or extend, and finance the costs of, one or more projects on behalf of the City in order to accomplish the public purposes for which the City exists; (2) enter into lease agreements with the City with respect to projects which the Issuer has acquired, improved or extended or will acquire, improve or extend on behalf of the City; (3) issue and sell its bonds

for the purpose of paying the cost of constructing, acquiring, improving or extending a project; and (4) exercise other powers as enumerated in the Act, all in accordance with and subject to the specific requirements of the Act with respect to such powers.

“*Project*”, as defined by the Act, means an improvement, facility, property, or appurtenance to property that the City is permitted under law to own or acquire, whether located inside or outside the City’s boundaries, including (a) a public building or other structure of any kind and (b) a joint or partial interest in the improvement, facility, property, or appurtenance to property.

ORGANIZATION

According to the Bylaws of the Issuer, the affairs of the Issuer are managed by the Board. The Board consists of the seven members of the City Council as may from time to time serve. Each Director serves on the Board until death, incapacity or removal from the City Council. Whenever a Director shall cease to be a member of the City Council, his or her successor, upon such successor’s election and qualifying for office, thereupon becomes a Director of the Issuer. Directors may be removed and replaced by the City Council at any time at its discretion.

The Chair and Vice Chair of the City Council act as the President and Vice President of the Board and, without any further action of the Board, upon taking office as Chair and Vice Chair of the City Council are considered as elected as President and Vice President, respectively, of the Board. The City Treasurer of the City acts as the Treasurer of the Issuer and the City Recorder of the City acts as the Secretary/Clerk of the Issuer. All other officers, if any, are elected by the Board. Set forth below are the current members of the Board and the Board’s Secretary/Clerk and Attorney:

Charlie Luke	President	Stan Penfold	Director
Luke Garrott	Vice President	James Rogers	Director
Lisa Ramsey Adams	Director	Margaret D. Plane	Attorney
Kyle LaMalfa	Director	Cindi Mansell	Secretary/Clerk
Erin J. Robinson Mendenhall	Director		

OTHER OBLIGATIONS

Other than the Outstanding Parity Bonds, the Issuer has not issued or entered into any other bonds, notes or other obligations that will be outstanding at the time of issuance of the Series 2014A Bonds. See also “SECURITY FOR THE BONDS—Additional Bonds” herein and “OUTSTANDING INDEBTEDNESS—Future Debt Plans” in APPENDIX A hereto.

BONDOWNERS’ RISKS

The purchase of the Series 2014A Bonds involves certain investment risks that are discussed throughout this Official Statement. Accordingly, each prospective purchaser of the

Series 2014A Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are described below.

LIMITED OBLIGATIONS

The Series 2014A Bonds are payable from amounts due under the Lease, which constitute currently budgeted expenditures of the City, payable only if funds are appropriated by the City Council for each of the City's fiscal years. The current Renewal Term of the Lease commenced on July 1, 2013 and expires June 30, 2014. The Lease is thereafter subject to successive extensions under the provisions of the Lease for 20 additional one-year renewal terms commencing on July 1 of each of the years 2014 through 2034 and a final renewal term commencing July 1, 2034, and ending April 16, 2035. There is no assurance that the City will, in its sole discretion, exercise its option to extend the term of the Lease for any additional Renewal Term.

The likelihood that the City will extend the term of the Lease for all Renewal Terms and continue to pay the Base Rentals to enable the Issuer to timely pay the principal of, and premium, if any, and interest on, the Bonds in the future depends upon a number of factors that are beyond the control of the Bondowners, including, but not limited to, (1) the completion of acquisition, construction and improvement of any unfinished Projects, including the Marmalade Project and the Glendale Facilities, (2) the continuing need of the City for the Leased Property, (3) the economic and demographic conditions within the City, (4) the ability of the City to generate sufficient funds from property, sales, franchise and other taxes and other sources to pay obligations associated with the Lease and other obligations of the City (whether now existing or hereafter created), and (5) the value of the Mortgaged Property if relet or sold (to the extent authorized in the Indenture) in a foreclosure or other liquidation proceeding instituted by the Trustee in the event of the termination of the term of the Lease as a result of the occurrence of certain events described below or the expiration of any Renewal Term if the City does not appropriate sufficient funds to extend the term of the Lease as provided in the Lease. Neither the Indenture nor the Lease limit the liability of the City to incur additional obligations against its revenues.

The City's obligation under the Lease does not constitute a general obligation or other indebtedness of the City or the State of Utah or any agency or political subdivision of the State of Utah within the meaning of any constitutional or statutory debt limitation. THE ISSUER HAS NO TAXING POWER.

EXPIRATION OR TERMINATION OF THE LEASE

The Lease will expire by its terms on any June 30 during the years 2014 through 2034, unless the City in its sole discretion exercises the option provided in the Lease to extend the term of the Lease for the next succeeding Renewal Term with a final lease expiration date of April 16, 2035. In the event that the City does not extend in any year the term of the Lease, the City's obligation to pay Rentals will terminate on the June 30 occurring at the end of the then current Renewal Term. Upon (1) the expiration of any

Renewal Term during which an Event of Nonappropriation occurs (which is not waived by the Trustee as provided in the Lease) or (2) a default under the Lease and an election by the Trustee to terminate the possessory interest of the City under the Lease, the City's right of possession of the Leased Property under the Lease will expire or be terminated, as appropriate. See "SUMMARIES OF PRINCIPAL DOCUMENTS — THE INDENTURE — Effect of Expiration or Termination of the Term of the Lease" and "— Remedies Upon Default" in APPENDIX C hereto.

In the event that the City's right of possession of the Leased Property under the Lease expires or is terminated for either of the reasons described in the preceding paragraph, the obligation of the City to pay Rentals thereunder will continue through the Renewal Term then in effect, but not thereafter, and the Bonds will be payable from, among other sources, such moneys as may be available by way of recovery from the City of the Rentals that are due through the Renewal Term then in effect. Should the Lease expire at the end of a Renewal Term without any extension for the next succeeding Renewal Term or if an event occurs pursuant to which the Trustee terminates the City's right of possession of the Leased Property under the Lease, the Trustee may recover and (to the extent authorized in the Indenture) relet or sell the Mortgaged Property as provided in the Indenture. The net proceeds of any reletting or sale of any of the Mortgaged Property, together with certain other moneys then held by the Trustee under the Indenture, are required to be used to pay the Bonds to the extent of such moneys.

The public facility constituting the Mortgaged Property represents a special purpose facility for use in connection with providing particular governmental services. No assurance can be given that the Trustee could relet or sell any of the Mortgaged Property for the amount necessary to pay the principal of and the interest then due on the Bonds. Purchasers of the Series 2014A Bonds should not assume that it will be possible to relet or sell the Mortgaged Property after the expiration or termination of the City's right of possession of the Mortgaged Property for an amount equal to the aggregate principal amount of the Bonds then outstanding plus accrued interest thereon. In this regard, it should be noted that (1) the Mortgaged Property may be subject to ad valorem and other property taxation if owned by someone other than the City or other governmental body, (2) the Mortgaged Property may not be suitable for general commercial use and (3) zoning restrictions could limit use of the Mortgaged Property. No assurance can be given that the amount, if any, realized upon any reletting or sale of the Mortgaged Property will be available to provide for the payment of the Bonds on a timely basis.

LIMITED REMEDIES

A termination of the City's right of possession of the Leased Property under the Lease as a result of an event of default or expiration of the term of the Lease at the end of any Renewal Term will give the Trustee the right to possession of, and the right to relet or foreclose upon and sell (to the extent authorized in the Indenture), the Mortgaged Property in accordance with the provisions of the Lease, the Indenture and the mortgage of the Mortgaged Property. However, the enforceability of the Lease, the Indenture and such mortgage is subject to applicable bankruptcy laws, equitable principles affecting the

enforcement of creditors' rights generally and liens securing such rights, the police powers of the State of Utah, the exercise of judicial authority by state or federal courts and the exercise by the United States of America of the powers delegated to it by the federal constitution.

In addition, the Leased Property is used by the City for the provision of what may be considered an essential governmental function of the City. Due to the essential governmental use of the Leased Property and the delays inherent in obtaining foreclosure upon real property and other judicial remedies, no assurance can be given that (1) a court, in the exercise of judicial discretion, would enforce these remedies in a timely manner, or (2) any moneys realized by the Trustee upon an exercise of any remedies would be sufficient to pay the principal of and interest on the Bonds. In the event any such moneys are insufficient to pay all outstanding Bonds in full, the Bonds would be paid in part on a pro rata basis. Any delays in the ability of the Trustee to obtain possession (if authorized under the Indenture) of the Mortgaged Property, of necessity, will result in delays in any payment of principal of or interest on the Bonds.

DESTRUCTION OF THE LEASED PROPERTY

The Lease requires the Leased Property to be insured by policies of insurance (including casualty and property damage and business interruption insurance) as described in "SUMMARIES OF PRINCIPAL DOCUMENTS—THE LEASE—Insurance" in APPENDIX C hereto. The City advises that the Leased Property will be so insured. In the event of damage to or destruction of any of the Leased Property, the City is required to continue to pay Rentals for the then-current Renewal Term and may elect to apply the net proceeds from insurance and certain other sources to the extraordinary optional redemption of the Bonds or to take such action as it deems necessary or appropriate to repair, rebuild and replace the affected portion of the Leased Property. See "THE SERIES 2014A BONDS — Redemption — Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation" above.

If the net proceeds from insurance are sufficient to repair, rebuild and replace the affected portion of the Leased Property, such proceeds are to be so applied. If the net proceeds are insufficient to repair, rebuild and replace the affected portion of the Leased Property, (1) the City is obligated to pay any cost in excess of such net proceeds, but only from Additional Rentals, in order for the affected portion of the Leased Property to be restored, (2) such net proceeds may be used for the purpose of causing the extraordinary optional redemption of the Bonds if the failure to repair, rebuild or replace will not materially detract from the value of the Leased Property or (3) such net proceeds may be applied to the payment of the Option Price as of the next occurring Optional Purchase Date. There can be no assurance either as to the adequacy of or timely payment under property damage insurance in effect at that time or that the City will elect to extend the term of the Lease for the next Renewal Term succeeding such damage or destruction or pay the Option Price then applicable. See "SUMMARIES OF PRINCIPAL DOCUMENTS — THE LEASE — Damage, Destruction and Condemnation" in APPENDIX C hereto.

CONSTRUCTION OF CERTAIN PROJECTS

Construction Delays. Payment of Rentals by the City with respect to the Marmalade Project and the Glendale Facilities commences only upon occupancy and use by the City of each project. The City expects that the acquisition, construction and improvement of the Glendale Facilities and the Marmalade Project will be substantially completed on or about October 15, 2014, and April 30, 2015, respectively. Interest on the Bonds relating to such Projects has been capitalized to the applicable estimated completion date.

Sufficiency of Construction Moneys. The City believes that the proceeds of sale of the Series 2014A Bonds, together with other moneys legally available for the purpose, will be sufficient to complete the acquisition, construction, design and improvement of the Marmalade Project.

In the event that the proceeds from the sale of the Series 2014A Bonds and any other available moneys are insufficient to complete the construction of the Marmalade Project, the City is authorized, pursuant to the Lease, to complete the acquisition, construction, rehabilitation, design and improvement of the Marmalade Project or the Glendale Facilities from legally available funds, but only from the proceeds of Additional Bonds or from moneys specifically appropriated for that purpose. The City has covenanted in the Lease, to the extent permitted by law, to use and to seek additional legally available funds or to make design changes in the Marmalade Project and the Glendale Facilities, in each instance to the extent necessary to complete acquisition, construction, rehabilitation, design and improvement thereof with Bond proceeds and moneys on hand.

The Indenture provides that Additional Bonds may be issued for the purpose, among others, of completing the acquisition, construction, rehabilitation, design and improvement of the Marmalade Project and the Glendale Facilities, subject to satisfaction of certain conditions provided in the Indenture. There can be no assurance that such Additional Bonds will be permitted under then applicable law or that the City will agree to the issuance of Additional Bonds at that time. If issued, Additional Bonds will be secured under the Indenture on a parity with the Bonds then outstanding. See “SECURITY FOR THE BONDS—Additional Bonds” above and “SUMMARIES OF PRINCIPAL DOCUMENTS—THE INDENTURE—Additional Bonds” in APPENDIX C hereto.

DEPRECIATION AND LACK OF RESIDUAL VALUE

The Mortgaged Property will depreciate in value during the time that the Series 2014A Bonds are outstanding and components of the Leased Property with short useful lives will depreciate rapidly. In addition, various components of the Mortgaged Property may be difficult or impossible to remove from their points of service or use. Consequently, following an Event of Nonappropriation, an Event of Default under the Lease or the Indenture or termination of the Lease for any reason, it is possible that any revenues realized by the Trustee from a reletting or sale, as appropriate, of the Mortgaged Property may be insufficient to redeem or pay all outstanding Bonds in full.

RELEASE OF LEASED PROPERTY

The Lease provides for the release of a portion of the Leased Property from the lien of the Indenture, prior to the final maturity of the Series 2014A Bonds. See “SUMMARIES OF PRINCIPAL DOCUMENTS—THE LEASE—Amendments, Changes and Modifications” in APPENDIX C.

The release of portions of the Leased Property from the lien of the Indenture will necessarily result in a reduction in the value of the security interests held by the Trustee for the benefit of the owners of the Bonds and may reduce the City’s incentives to renew the Lease for any future Renewal Term.

CHANGES IN CITY GOVERNANCE

The obligation of the City to pay Rentals under the Lease is subject to annual appropriation by the City Council, based upon a budget initially presented to the City Council by the Mayor. See “SECURITY FOR THE BONDS—The Lease” above and “FINANCIAL INFORMATION—Budget and Appropriation Process” in APPENDIX A. The members of the City Council and the Mayor are elected officials each of whom serves a four-year term and may stand for re-election at the end of his or her term without limitation as to the number of terms that may be served. The current Mayor and all current members of the City Council support the Marmalade Project. However, the individuals elected to serve as Mayor and on the City Council will change during the period when the Series 2014A Bonds are outstanding. There can be no assurance that the membership of the City Council or the person elected as Mayor will not change in a manner that will result in a future City Council or Mayor taking a position contrary to the continued appropriation of Rentals under the Lease for the Marmalade Project. Under the Lease, the City is entitled not to appropriate Rentals for the next succeeding Renewal Term with respect to all of the Leased Property, but is not entitled to elect to appropriate with respect to one or more, but not all, of the Leased Property.

In the Lease, the City’s budget officer is required to include in the tentative budget prepared annually by the budget officer and submitted to the City Council items for all payments required for the ensuing Renewal Term. Each decision to renew or not to renew the term of the Lease is to be made solely by the City Council at the time it considers for adoption the final budget relating to the applicable Renewal Term and not by any official of the City, acting in his or her individual capacity.

LITIGATION

It is a condition of closing that the Issuer execute a certificate to the effect that to the best of its knowledge, after due inquiry, no litigation with merit in the State or federal court has been served on the Issuer, nor to the best knowledge of the Issuer is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Lease, the Indenture or any other agreement or

instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transaction contemplated by the Lease or the Indenture.

It is a condition of closing that the City execute a certificate to the effect that, to the best of its knowledge, after due inquiry, no litigation with merit in the State or federal court has been served on the City, nor to the best knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Lease, the Indenture or any other agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Lease and the Indenture.

A non-litigation certificate executed by Margaret D. Plane, counsel to the Issuer and City Attorney, dated the date of closing, will be provided stating, among other things, that, to the best of her knowledge, after due inquiry, no litigation with merit in the State or federal court has been served on the Issuer or the City, nor to the best of her knowledge is there any basis therefor, challenging the creation, organization or existence of the Issuer or the City, or the titles of their officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2014A 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 Series 2014A Bonds are issued, the legality of the purpose for which the Series 2014A Bonds are issued or the validity of the Series 2014A Bonds or the issuance thereof.

For additional information regarding various legal proceedings involving the City, see “CERTAIN LEGAL MATTERS” in APPENDIX A.

INDEPENDENT ACCOUNTANTS

The basic financial statements of the City as of and for the year ended June 30, 2013 contained in APPENDIX B to this Official Statement, have been audited by Eide Bailly LLP, independent accountants, as set forth in their report included in APPENDIX B hereto.

NO DEFAULTED BONDS

Neither the Issuer nor the City has ever failed to pay principal and interest when due on their respective outstanding bonded indebtedness or other obligations. The City has also never failed to appropriate moneys for its capital lease payments.

FINANCIAL ADVISOR

The City has entered into an agreement with Lewis Young Robertson & Burningham, Inc. (the “*Financial Advisor*”), under which the Financial Advisor provides financial recommendations and guidance to the City and the Issuer with respect to preparation for sale of the Series 2014A Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Series 2014A Bonds. The Financial Advisor has participated in the preparation 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 no guaranty, warranty or other representation is made by the Financial Advisor respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

George K. Baum & Company, as underwriter (the “*Underwriter*”), has agreed to purchase the Series 2014A Bonds from the Issuer at an aggregate discount of \$_____ from the initial public offering prices reflected on the inside front cover page of this Official Statement. The obligation of the Underwriter to purchase the Series 2014A Bonds is subject to a number of terms and conditions set forth in the Purchase Contract among the Issuer, the City and the Underwriter.

The Underwriter has advised the Issuer and the City that it intends to make a public offering of the Series 2014A Bonds at the prices set forth on the cover page hereof. Such prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Series 2014A Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering prices stated on the cover page hereof. Although the Underwriter expects to maintain a secondary market in the Series 2014A Bonds after the initial offering, no assurance can be made that such a market will develop or be maintained by the Underwriter or others.

BOND RATINGS

Moody’s Investors Service, Inc. (“*Moody’s*”) has assigned a rating of “Aa1” to the Series 2014A Bonds. Fitch Ratings, Inc. (“*Fitch*”), has assigned a rating of “AA+” to the Series 2014A Bonds.

Any explanation of the significance of these outstanding ratings may be obtained only from the rating service furnishing the same. There is no assurance that the ratings given to the outstanding obligations will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward change or withdrawal of such ratings may have an adverse effect on the market price of the Series 2014A Bonds.

CONTINUING DISCLOSURE

The City will undertake for the benefit of the Bondholders and the beneficial owners of the Series 2014A Bonds to provide certain annual financial information and operating data and notice of certain material events to the Municipal Securities Rulemaking Board, all in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. See “APPENDIX F” attached hereto and incorporated herein by reference for a form of the Continuing Disclosure Agreement (the “*Disclosure Agreement*”) that will be executed and delivered by the City.

The City has entered into a number of continuing disclosure undertakings with respect to the bonds it has issued and has contracted with a number of dissemination agents to file annual information and notices of certain events on behalf of the City. The City recently determined that although the City provided its annual financial information and audited financial statements to the applicable dissemination agent in the required time frame, the dissemination agent for certain of its bonds filed such information on a date that was later than required by the applicable continuing disclosure undertakings, but in no case later than 30 days beyond the required filing deadline.

Such information consists of the following: (i) historical revenue data relating to its sales and use tax bonds in fiscal year 2008 does not appear to be on file with the then-repository and (ii) fiscal year 2009 audited financial statements were not filed for the City's 2003 special assessment bonds and operating data for fiscal year 2008 does not appear to be on file with the then-repository. While such information was included as historical information in later disclosure filings, the City has taken steps to have these reports filed on EMMA so that its historical record is complete.

The City will continue its practice of providing required information to its dissemination agents in sufficient time to allow the dissemination agents to file as required under the applicable continuing disclosure undertaking and dissemination agency agreement and has contacted each of its dissemination agents regarding the requirement for timely filing. Except as described above, the City is in compliance with each continuing disclosure undertaking entered into pursuant to the Rule.

A failure by the City to comply with the undertaking will not constitute a default under the Indenture and Beneficial Owners of the Series 2014A Bonds are limited to the remedies described in the Disclosure Agreement. A failure by the City to comply with the Disclosure 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 Series 2014A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2014A Bonds and their market price. See the Disclosure Agreement attached hereto as APPENDIX F for the information to be provided, the events which will be noticed on an occurrence basis and other terms including termination, amendment and remedies.

TAX MATTERS

FEDERAL

Federal tax law contains a number of requirements and restrictions which apply to the Series 2014A 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 Issuer and the City have covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2014A 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 Series 2014A

Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2014A Bonds.

Subject to the Issuer's and the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2014A 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 Series 2014A 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 Issuer and the City with respect to certain material facts solely within the Issuer's and the City's knowledge relating to the application of the proceeds of the Series 2014A Bonds.

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 all tax exempt interest, including interest on the Series 2014A Bonds.

Ownership of the Series 2014A 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 Series 2014A 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 Series 2014A Bonds is the price at which a substantial amount of such maturity of the Series 2014A Bonds is first sold to the public. The Issue Price of a maturity of the Series 2014A 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 Series 2014A Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Series 2014A Bonds (the "*Series 2014A OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an Series 2014A OID Bond in the initial public offering at the Issue Price for such maturity and who holds such Series 2014A OID Bond to its stated maturity, subject to the condition that the Issuer and the City comply with the

covenants discussed above, (a) the full amount of original issue discount with respect to such Series 2014A 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 Series 2014A 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 an alternative minimum tax liability for corporations or 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 Series 2014A OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such Series 2014A OID Bonds.

Owners of Series 2014A Bonds who dispose of Series 2014A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2014A Bonds in the initial public offering, but at a price different from the Issue Price or purchase Series 2014A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2014A Bond is purchased at any time for a price that is less than the Series 2014A Bond's stated redemption price at maturity or, in the case of a Series 2014A OID Bond, its Issue Price plus accreted original issue discount (the "*Revised Issue Price*") the purchaser will be treated as having purchased a Series 2014A 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 Series 2014A 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 a Series 2014A 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 Series 2014A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2014A Bonds.

An investor may purchase a Series 2014A 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 Series 2014A 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 Series 2014A Bond. Investors who purchase a Series 2014A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2014A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2014A 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 Series 2014A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Series 2014A Bonds issued prior to enactment. Prospective purchasers of the Series 2014A 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 includible 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 Series 2014A Bonds. If an audit is commenced, under current procedures the Service may treat the Issuer 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 Series 2014A 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 Series 2014A 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.

STATE OF UTAH

In the opinion of Bond Counsel, under the laws of the State of Utah, as presently enacted and construed, interest on the Series 2014A 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 of Utah or any political subdivision thereof. Ownership of the Series 2014A 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 Series 2014A Bonds. Prospective purchasers of the Series 2014A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, validity and enforceability of the Lease as to the Issuer and the City and the authorization and issuance of the Series 2014A Bonds are subject to the unqualified approving opinion of Chapman and Cutler LLP, Bond Counsel.

The expected form of the opinion of Bond Counsel is attached to this Official Statement as APPENDIX F. Certain legal matters will be passed upon for the Issuer and the City by Margaret D. Plane, City Attorney and counsel to the Issuer. Certain legal matters regarding this Official Statement will be passed on for the City and the Issuer by Chapman and Cutler LLP, Disclosure Counsel.

MISCELLANEOUS

All of the summaries of the statutes, resolutions, opinions, contracts, agreements, articles of incorporation, by-laws, financial and statistical data and other related documents described in this Official Statement are made subject to the provisions of such documents. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Underwriters and the purchasers or owners of any of the Series 2014A Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Issuer.

LOCAL BUILDING AUTHORITY OF SALT
LAKE CITY, UTAH

By: _____
President

APPENDIX A

SALT LAKE CITY

GENERAL INFORMATION

Salt Lake City, Utah (the “City”) is located in the Salt Lake Valley and comprises an area of approximately 100 square miles. The City is the most populous city in the State with an estimated 2012 population of approximately 189,400 residents. The City is the business and financial center for most of the major businesses and industries in the State. The Salt Lake Valley area is the largest metropolitan area between Phoenix and the Canadian border, and between Denver and California.

FORM OF GOVERNMENT

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.

MAYOR AND COUNCILMEMBERS

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	6	January 2016
Council Chair	#6	Charlie Luke	2	January 2016
Council Vice Chair	#4	Luke Garrott	6	January 2016
Council Member	#7	Lisa Ramsey Adams	0	January 2018
Council Member	#2	Kyle LaMalfa	2	January 2016
Council Member	#5	Erin J. Robinson Mendenhall	0	January 2018
Council Member	#3	Stan Penfold	4	January 2018
Council Member	#1	James Rogers	0	January 2018

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 Bachelor of Science 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.

Margaret D. Plane, City Attorney, was been appointed to her position by Mayor Ralph Becker (and confirmed by the City Council) effective June 28, 2013. Ms. Plane received her Juris Doctor degree from the University of Utah in 2002, her Master of Arts degree in Philosophy from the University of Utah, and her Bachelor of Arts degree from Rollins College. Before being appointed as City Attorney, Ms. Plane worked in the City Attorney's Office as a litigator and as chief counsel for the Department of Human Resources. Prior to working for Salt Lake City, she was legal director of the American Civil Liberties Union of Utah and was a judicial clerk for the Honorable Pamela T. Greenwood on the Utah Court of Appeals.

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 in 2004. In 2005, she received the Certified Records Manager designation for professional record managers.

Marina Scott, City Treasurer, was appointed by Mayor Ralph Becker on June 4, 2013. From December 2006 until her appointment, Mrs. Scott was Deputy Treasurer for the City and from September 2005 until December 2006 she served as an Accountant III for the Public Services Department. Mrs. Scott holds a Bachelor of Science degree in Accounting, and a Master of Professional Accountancy from Weber State University. She also holds a Master of Arts in Library and Information Science from Vilnius State University.

EMPLOYEE WORKFORCE AND RETIREMENT SYSTEM; POSTEMPLOYMENT BENEFITS

Employee Workforce and Retirement System. The City currently employs approximately 2,600 full-time employees and approximately 330 hourly and part-time employees for a total employment of approximately 2,930 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"). 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, 2013 – Notes to Financial Statements –

Note 6 – Long-term obligations,” “– Note 12 – Pension Plans” and “– Note 14 – Deferred Compensation Plans.”

Beginning July 1, 2014, the City will be required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of the Systems due to the implementation of GASB 68. The City cannot determine at this time what the amount of such liability and expense will be.

Other 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 \$112,909,000 at July 1, 2012. The other postemployment benefit (“OPEB”) cost and annual required contribution for the year ended June 30, 2013 were \$11,305,000 and \$11,607,000, respectively. The City currently funds its OPEB costs on a pay-as-you-go basis and during the fiscal year ended June 30, 2013 contributed \$2,397,000. During this same period, net OPEB obligations increased from \$30,917,000 to \$39,824,000. For additional information regarding the City’s postemployment benefits see “APPENDIX B – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013 – Note 13 – Other Postemployment Benefits.”

STATISTICAL INFORMATION

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>
2012 Estimate	189,314	0.69%	1,063,842	1.54%	2,855,287	1.45%
2011 Estimate	188,010	0.84	1,047,746	1.73	2,814,347	1.83
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	183	\$ 55,447.00	\$207,937.40	\$15,396.30	\$ 92,662.50	\$371,443.20	(13.8)%
2011	347	33,510.60	203,468.20	16,840.70	176,942.50	430,762.00	50.6
2010	111	14,730.90	104,795.60	29,036.90	137,507.90	286,071.30	(22.4)
2009	338	132,880.60	91,434.90	48,393.80	95,826.60	368,535.90	(36.5)
2008	508	156,110.90	289,111.10	29,438.60	105,808.00	580,468.60	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>2012^(p)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Gross Taxable Sales (\$000s)	\$21,695.0	\$19,810.8	\$18,798.7	\$18,284.2	\$20,477.9
Permit Authorized Construction (\$000)	\$1,581,414.9	\$1,560,324.4	\$1,042,645.9	\$1,545,119.4	\$1,656,131.1
New Dwelling Units	2,927	2,403	2,193	4,586	3,555
New Residential Value (\$000)	\$632,806.0	\$478,242.2	\$396,367.2	\$649,516.7	\$588,477.5

(p) Preliminary

(Source: Utah Department of Workforce Services and University of Utah Bureau of Economic and Business Research Construction Information Database.)

INCOME AND WAGES IN SALT LAKE COUNTY

<u>INCOME AND WAGES</u>	<u>2012^(p)</u>	<u>2011^(p)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Personal Income (\$Millions)	n/a	\$40,995.4	\$38,785.6	\$37,497.0	\$39,667.1
Per Capita Income	n/a	39,081	37,538	36,878	39,685
Median Household Income Estimates	n/a	59,168 ⁽¹⁾	56,664	56,954	59,168
Average Monthly Nonfarm Wage	\$3,826	3,703	3,623	3,551	3,470

(p) Preliminary

(1) Median household income 2007-2011, as reported by the U.S. Census Bureau.

(Source: Utah Department of Workforce Services.)

BUSINESS AND INDUSTRY

TAXABLE SALES AND LOCAL OPTION SALES TAX ALLOCATION — THE CITY

YEAR ENDED JUNE 30	GROSS TAXABLE SALES	% CHANGE OVER PRIOR YEAR	NET LOCAL SALES TAX ALLOCATIONS	% CHANGE OVER PRIOR YEAR
2012	\$6,107,403,182	7.20%	\$44,660,082	8.60%
2011	5,697,004,471	13.00	41,122,239	4.97
2010	5,041,613,325	(4.38)	39,175,947	(9.11)
2009	5,272,280,483	(4.51)	43,103,218	(7.11)
2008	5,521,248,261	—	46,400,880	—

(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
Intermountain Health Care, Inc.	Health Care	15,000-19,999
University of Utah	Higher Education	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
University of Utah Hospital	Health Care	5,000-6,999
US Government (excludes Post Office and VA Hospital)	Federal Government	5,000-6,999
Wal-Mart	Warehouse Clubs & Supercenters	4,000-4,999
The Canyons School District	Public Education	4,000-4,999
L3 Communications	Communications Equipment Mfg.	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
Delta Air Lines, Inc.	Air Transportation	3,000-3,999
Salt Lake City	Local Government	3,000-3,999
Zions Bank	Banking	3,000-3,999
Smith's Marketplace	Grocery Stores	3,000-3,999
U.S. Postal Service	Federal Government	2,000-2,999
Salt Lake Community College	Higher Education	2,000-2,999
Discover	Consumer Lending	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
United Parcel Service	Courier & Express Delivery Service	2,000-2,999
Skywest Airlines	Air Transportation	2,000-2,999
VA Medical Center	Health Care/Federal Government	2,000-2,999
JetBlue	Air Transportation	2,000-2,999
Convergys	Telephone Call Center	1,000-1,999
Utah Transit Authority	Public Urban Transit	1,000-1,999
ACS Business Process Solutions	Data Processing Services	1,000-1,999
Central Refrigerated Service	Trucking	1,000-1,999

FIRM NAME	INDUSTRY	APPROXIMATE NUMBER OF EMPLOYEES
eBay Inc.	Online Auctions Retail	1,000-1,999
Teleperformance	Telephone Call Center	1,000-1,999
St. Marks Hospital	Health Care	1,000-1,999
Fidelity Brokerage Services	Financial Services	1,000-1,999
CR England	Trucking	1,000-1,999
Verizon Wireless	Telecommunications	1,000-1,999
Merit Medical Systems	Surgical & Medical Instrument Mfg.	1,000-1,999
Grand America Hotel	Accommodations	1,000-1,999
SOS Staffing Services	Temporary Help Services	1,000-1,999
QWEST	Telecommunications	1,000-1,999
The Home Depot	Home Center	1,000-1,999
Goldman Sachs	Financial Services	1,000-1,999
Costco	Warehouse Clubs & Supercenters	1,000-1,999
Overstock.com	Electronic Shipping	1,000-1,999
Sizzler	Full-Service Restaurant	1,000-1,999
Snowbird	Ski Resort and Accommodations	1,000-1,999
Jordan Valley/Pioneer Valley Hospitals	Health Care	1,000-1,999
Comcast	Cable Broadcasting	1,000-1,999
PacifiCorp	Electric Utility	1,000-1,999
Target	Retail	1,000-1,999
The Sun Products Corporation	Soap and Detergent Manufacturing	1,000-1,999

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

LABOR MARKET DATA OF SALT LAKE COUNTY

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Labor Force	551,994	546,055	555,070	560,427	561,383
Employed	521,772	510,310	511,799	519,188	542,813
Unemployed	30,222	35,745	43,272	41,239	18,570
Rate	5.5%	6.5%	7.8%	7.4%	3.3%
Nonfarm Jobs	603,929	583,002	571,215	573,449	602,927
% Change Prior Year	3.55%	2.1%	-1.7%	-4.9%	0.3%
Mining	3,652	3,221	2,628	2,527	2,908
Construction	30,535	29,510	29,743	31,300	38,514
Manufacturing	52,503	51,177	50,233	50,360	55,323
Trade/Transportation/Utilities	123,979	118,401	116,462	118,097	125,980
Information	17,468	16,250	16,291	16,545	17,214
Financial Activities	46,724	46,141	45,303	47,501	49,436
Professional/Business Services	100,315	95,528	91,270	89,632	96,990
Education/Health/Social Services	68,028	66,443	65,241	63,454	61,098
Leisure/Hospitality	49,442	47,335	46,607	46,847	48,521
Other Services	18,554	17,890	17,766	18,050	18,884
Government	92,821	91,327	89,623	89,136	88,059
Total Establishments	36,826	35,890	35,363	36,493	37,717
Total Wages (\$Billions)	27,727.6	25,917.2	24,478.7	24,435.4	25,103.9

(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	5.5%	5.7%	8.1%
2011	6.5	6.7	8.9
2010	7.9	8.0	9.6
2009	7.5	7.6	9.3
2008	3.2	3.5	5.8

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

OUTSTANDING INDEBTEDNESS

OUTSTANDING DEBT ISSUES (EXPECTED AS OF CLOSING DATE OF THE BONDS) ⁽¹⁾

	AMOUNT OF <u>ORIGINAL ISSUE</u>	FINAL <u>MATURITY DATE</u>	PRINCIPAL <u>OUTSTANDING</u>
General Obligation Bonds:			
Series 1999 (Library Bonds)	\$ 81,000,000	6/15/2019	\$ 175,000
Series 2002 Building and Refunding (Refund portion of Series 1999)	48,855,000	6/15/2017	21,330,000
Series 2004A (Hogle Zoo & Tracy Aviary)	11,300,000	6/15/2014	530,000
Series 2009A (Open Space)	800,000	12/15/2018	455,000
Series 2009B (The Leonardo)	10,200,000	6/15/2029	8,665,000
Series 2010A (Public Safety Facilities) ⁽²⁾	25,000,000	6/15/2030	22,295,000
Series 2010B (Public Safety Facilities)	100,000,000	6/15/2031	88,120,000
Series 2011 (Open Space)	1,580,000	6/15/2021	1,270,000
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)	6,395,000	6/15/2024	6,395,000
Series 2013B (Taxable Sports Complex)	15,300,000	6/15/2028	15,300,000
Series 2013C (Open Space)	3,020,000	6/15/2023	<u>3,020,000</u>
Total			\$178,190,000
Water and Sewer Revenue Bonds:			
Series 2005 Improvement and Refunding Bonds	11,075,000	2/1/2017	\$ 3,710,000
Series 2008 Improvement and Refunding Bonds	14,800,000	2/1/2024	10,135,000
Series 2009 (Taxable)	6,300,000	2/1/2031	5,355,000
Series 2010 Revenue Bonds	12,000,000	2/1/2031	10,190,000
Series 2011 Revenue Bonds	8,000,000	2/1/2027	6,605,000
Series 2012 Improvement and Refunding Bonds	28,565,000	2/1/2027	<u>24,110,000</u>
Total			\$60,105,000
Special Improvement District and Assessment Area Bonds:			
Series 2006 106024	472,000	2/1/2016	\$ 111,000
Series 2006 102004	294,000	6/1/2016	102,000
Series 2007 106018	376,000	6/1/2017	170,000
Series 2007 102109 & 102129	129,000	6/1/2017	58,000
Series 2009B 103006	1,263,000	9/1/2019	816,000
Series 2009C 102145 & 102146	396,000	9/1/2019	<u>231,000</u>
Total			\$1,488,000
Sales and Excise Tax Revenue Bonds:			
Series 2004 Refunding (Adjustable Rate)	\$17,300,000	6/1/2015	\$ 2,905,000
Series 2005A Refunding	47,355,000	10/1/2020	31,875,000
Series 2007A	8,590,000	10/1/2026	5,870,000
Series 2009A	36,240,000	10/1/2028	30,035,000
Series 2012A	15,855,000	10/1/2032	14,775,000
Series 2013A (Federally Taxable)	51,270,000	4/1/2038	51,270,000
Series 2013B	7,315,000	10/1/2033	<u>7,315,000</u>
Total			\$144,045,000
Tax and Revenue Anticipation Notes:			
Series 2013	\$20,000,000	6/30/2014	\$20,000,000
Local Building Authority Lease Revenue Bonds⁽³⁾:			
Series 2013A	\$7,180,000	10/15/2034	\$ 7,180,000
Series 2014A	7,360,000*	4/15/2035	<u>7,360,000*</u>
Total			\$14,540,000*

* Preliminary; subject to change.

- (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, 2013—Notes to the Financial Statements—Note 6—Long-Term Obligations."
- (2) 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.
- (3) The Local Building Authority of Salt Lake City is a separate entity. Lease Revenue Bonds are not obligations of the City, but are paid from annually appropriated rental payments made by the City.

See “APPENDIX B—SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013—Notes to the Financial Statements—Note 6-Long-Term Obligations.”

OVERLAPPING GENERAL OBLIGATION DEBT (AS OF JUNE 1, 2013)

<u>TAXING ENTITY</u> ⁽¹⁾	<u>2012 TAXABLE VALUE</u> ⁽²⁾	<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⁾	\$109,745,468,301	\$18,231,072,284	16.61%	\$259,970,000	\$ 43,186,584
Salt Lake City School District	18,229,107,957	18,229,107,957	100.00%	94,670,000	94,670,000
Salt Lake County	71,282,969,576	18,231,072,284	25.58%	234,945,000	<u>60,088,676</u>
Total Overlapping General Obligation Debt					<u>\$197,945,260</u>
Total Direct General Obligation Bonded Indebtedness					<u>\$178,190,000</u>
Total Direct and Overlapping General Obligation Debt					<u>\$376,135,260</u>

- (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) 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), and entity financials (as to outstanding general obligation debt.))

DEBT RATIOS (AS OF JUNE 1, 2013)

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 2012 TAXABLE VALUE ⁽¹⁾	COMPARED TO 2012 ESTIMATED FAIR MARKET VALUE ⁽²⁾	COMPARED TO 2012 POPULATION ESTIMATE PER CAPITA ⁽³⁾
Direct General Obligation Debt	0.98%	0.74%	\$941
Direct and Overlapping General Obligation Debt	2.06%	1.56%	\$1,987

- (1) Based on 2012 Taxable Value of \$18,231,072,284, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Based on an estimated 2012 Fair Market Value of \$24,078,371,047, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (3) Based on a 2012 population estimate of 189,314 persons.

See herein “FINANCIAL INFORMATION—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 Salt Lake County, Utah (the “*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 2012 and are calculated as follows:

Estimated 2012 Fair Market Value ⁽¹⁾	<u>\$24,358,298,864</u>		
LEGAL DEBT MARGIN	GENERAL PURPOSES 4%	WATER, SEWER, AND LIGHTING 4%	TOTAL 8%
General Obligation Debt Limit	\$974,331,955	\$974,331,955	\$1,948,663,910
Less: Outstanding General Obligation Bonds	<u>(178,190,000)</u>	<u>-</u>	<u>(178,190,000)</u>
Legal Debt Margin	<u>\$796,141,955</u>	<u>\$974,331,955</u>	<u>\$1,770,473,910</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 and interest when due on any of its bonds, notes or other financial obligations.

FUTURE DEBT PLANS

Although not definitive, City administration continuously evaluates the City's funding of its Capital Improvement Program, and proceeds of sales tax bonds will be considered as one of the sources for funding the City's capital infrastructure.

The City has no short term plans to issue assessment area bonds.

SOURCES OF REVENUES

SALES AND USE TAXES

The Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code (the "*Local Sales and Use Tax Act*"), provides that each county, city and town in the State may levy a local sales and use tax of up to 1.00% on the purchase price of taxable goods and services.

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

In addition to the local sales and use tax levied by the City, the State levies a statewide sales and use tax (the "*Statewide Tax*") that is currently imposed at a rate of 4.70% of the purchase price of taxable goods and services, excluding unprepared food and food ingredients. Sales of unprepared food and food ingredients are taxed by the State at a rate of 1.75%. The State also levies a 2.00% tax on sales of natural gas, electricity and fuel oil for residential use.

In addition to the sales and use taxes described above, counties and cities in the State are authorized to impose certain additional sales and use taxes for various purposes as authorized by State law. The maximum sales and use tax levied on taxable goods and services within the City's boundaries by the State, the County and the City is 6.85% and is comprised of certain various sales taxes mentioned in the preceding sentence, the Statewide Tax and local sales and use taxes.

Local sales and use taxes are collected by the Tax Commission and distributed on a monthly basis to each county, city and town. The distributions to the City are based on a formula, which provides that (a) 50% of each dollar of sales tax collections will be distributed on the basis of the population of the local government and (b) 50% of each dollar of sales tax collections will be distributed on the basis of the point of sale.

Utility Franchise Taxes and Fees. Under Utah law, counties and municipalities have the authority to impose a tax, license, fee, license fee, license tax or similar charge that, in the aggregate, may not exceed 6% of gross revenues of public utilities collected within the boundaries of the municipality (or, in the case of gas and electric service providers, not exceeding 6% of the “delivered value” of “taxable energy”). Utilities upon which these taxes and fees may be levied include telephone, natural gas, electric energy service companies, telecommunications companies and city public utilities. Utility franchise taxes and fees are collected in the same manner as sales and use taxes. Energy sales and use taxes are generally collected by the Tax Commission and distributed on a monthly basis to the applicable municipality. In certain circumstances, however, energy sales and use taxes are remitted by the energy service provider directly to the applicable municipality.

The City levies a combination of utility franchise fees and privilege taxes equal in the aggregate to 6% of gross receipts of utilities doing business within its boundaries, including PacifiCorp and Questar and the City’s Public Utilities. The City also levies a 5% franchise tax on Comcast Financial Corporation charges.

PROPERTY TAX

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.

FINANCIAL INFORMATION

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 position, 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 the County. Any amounts not available are recorded as delayed revenue recognition. 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 from the sale of property. Assessments are recorded as receivables when assessed; however, they are reported as delayed revenue recognition 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 delayed 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 (the “*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 public officials bond.

The City also has: (1) public employee dishonesty insurance (an employee “blanket policy”) with a \$1,000,000 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 \$50,000 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), Named Storm (\$1,000,000), etc.

See “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013 – Notes to Financial Statements – Note 11 – Risk Management.”

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. The City routinely invests a substantial portion of its funds in the PTIF. 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, 2013 – Notes to the Financial Statements – Note 2 – Cash, Cash Equivalents and Investments” below.

FIVE-YEAR FINANCIAL SUMMARY

The summaries contained herein were extracted from the City’s financial statements for the fiscal years ended June 30, 2008 through June 30, 2013. The summaries are unaudited. See also “APPENDIX B – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013.”

SALT LAKE CITY CORPORATION, UTAH
STATEMENT OF NET POSITION — GOVERNMENTAL ACTIVITIES
(FISCAL YEARS ENDED JUNE 30)
Unaudited

	FISCAL YEAR ENDED JUNE 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
ASSETS:					
Current assets:					
Cash, and cash equivalents					
Unrestricted	\$ 55,516,081	\$ 51,521,830	\$ 85,726,621	\$ 105,319,909	\$ 93,964,462
Restricted	139,320,820	161,208,939	136,729,602	45,939,114	45,672,231
Receivables:					
Property, franchise and excise taxes	86,151,588	80,616,322	76,531,182	77,687,194	81,901,632
Assessments	3,805,920 ⁽⁵⁾	2,260,400 ⁽⁴⁾	3,278,935 ⁽³⁾	4,575,746 ⁽²⁾	1,822,336 ⁽¹⁾
Loans and other receivables	15,345,969	14,420,984	11,210,571	8,129,431	7,838,168
Due from other governments	1,307,053	1,850,815	1,344,581	1,627,591	1,712,059
Other, principally accrued interest	897,928	759,586	776,021	2,136,652	946,565
Prepaid Expenses	113,235	90,391	49,935	-	-
Inventories	673,176	681,302	673,213	565,195	658,431
Internal balances	<u>3,100,291</u>	<u>1,775,051</u>	<u>1,594,666</u>	<u>1,109,112</u>	<u>841,805</u>
Total current assets	<u>306,232,061</u>	<u>315,185,620</u>	<u>317,915,327</u>	<u>247,089,944</u>	<u>235,357,689</u>
Noncurrent assets:					
Property and equipment, at cost:					
Land and water rights	184,724,547	182,306,714	180,207,766	180,351,914	179,036,321
Infrastructure	283,180,839	284,313,023	282,091,712	261,212,278	249,800,326
Buildings	232,842,984	232,610,403	203,411,347	203,592,425	202,981,542
Improvements other than buildings	47,327,274	40,146,010	39,752,918	39,186,339	35,491,186
Machinery and equipment	94,557,402	91,383,819	84,573,339	91,798,476	86,752,879
Construction in progress	168,366,832	104,693,971	74,327,152	49,776,493	20,417,543
Accumulated depreciation	<u>(247,788,110)</u>	<u>(236,148,086)</u>	<u>(224,610,537)</u>	<u>(219,003,647)</u>	<u>(208,457,181)</u>
Net property and equipment	763,211,768	699,305,854	639,753,877	609,914,278	566,022,616
Bond issue costs	1,012,935 ⁽¹⁰⁾	1,104,310 ⁽⁹⁾	1,208,435 ⁽⁸⁾	1,252,393 ⁽⁷⁾	1,225,745 ⁽⁶⁾
Pollution remediation receivable	-	-	69,417	575,275	-
Investment in joint venture	<u>438,535</u>	<u>450,786</u>	<u>360,532</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>764,663,238</u>	<u>700,860,950</u>	<u>641,392,261</u>	<u>611,741,946</u>	<u>567,248,361</u>
Total assets	<u>\$1,070,895,299</u>	<u>\$1,016,046,570</u>	<u>\$959,307,408</u>	<u>\$855,831,890</u>	<u>\$802,606,050</u>

- (1) Including \$242,722 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 \$384,417 of delinquent assessments.
- (6) Less accumulated amortization of \$1,752,582.
- (7) Less accumulated amortization of \$1,774,067.
- (8) Less accumulated amortization of \$1,364,557.
- (9) Less accumulated amortization of \$149,072.
- (10) Less accumulated amortization of \$1,993,802.

(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 POSITION — GOVERNMENTAL ACTIVITIES
(FISCAL YEARS ENDED JUNE 30)
(continued)
Unaudited

	FISCAL YEAR ENDED JUNE 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
LIABILITIES:					
Current liabilities:					
Accounts payable.....	\$19,733,883	\$ 19,183,927	\$ 24,608,919	\$17,171,008	\$ 8,521,469
Accrued liabilities.....	12,639,205	12,486,157	10,617,513	10,613,504	10,239,231
Due to other funds for cash overdraft.....	20,534,674	6,132,555	-	-	
Current portion of long-term compensated absences.....	2,533,826	2,241,031	1,525,538	1,912,532	1,838,461
Current portion of estimated claims payable.....	2,861,487	3,611,364	3,611,364	3,156,487	3,261,403
Current portion of long-term debt:	21,247,049				
Payable from unrestricted assets	-	19,989,585	17,257,889	15,887,052	17,209,029
Special assessment debt with governmental commitment	-	559,000	619,000	596,000	434,000
Unearned revenue	2,582,478	65,114,001	2,731,434	3,923,673	218,599
Deferred revenue	72,809,202	-	63,124,670	65,984,055	67,705,511
Other liabilities payable from restricted assets.....	501,361	488,029	409,454	360,769	299,567
Current deposits and advance rentals	<u>1,600,710</u>	<u>1,076,864</u>	<u>873,199</u>	<u>521,559</u>	<u>1,120,473</u>
Total current liabilities	<u>157,043,875</u>	<u>130,882,513</u>	<u>125,378,980</u>	<u>120,126,639</u>	<u>110,847,743</u>
Noncurrent liabilities:					
Long-term compensation absences liability.....	16,213,834	15,120,125	15,384,877	16,167,684	15,705,210
Pollution remediation liability	-	-	-	575,275	-
Other post employment benefits	27,153,000	20,954,000	14,339,000	11,161,000	7,692,000
Estimated claims payable	2,108,000	1,198,831	4,222,601	4,136,136	4,462,322
Bonds payable.....	257,085,511	252,302,450	254,595,183	175,350,750	160,635,419
Notes payable	34,322,309	26,567,678	2,632,068	2,627,867	1,909,982
Notes payable from restricted assets	<u>440,510</u>	<u>703,259</u>	<u>1,701,723</u>	<u>464,607</u>	<u>430,393</u>
Total noncurrent liabilities	<u>337,323,164</u>	<u>316,846,343</u>	<u>292,875,452</u>	<u>210,483,319</u>	<u>190,835,326</u>
Total liabilities	<u>494,367,039</u>	<u>447,728,856</u>	<u>418,254,432</u>	<u>330,609,958</u>	<u>301,683,069</u>
NET ASSETS:					
Invested in capital assets, net of related debt	576,786,227	488,881,693	452,645,645	439,430,893	385,403,793
Restricted for:					
Debt service	22,363	-	-	636,061	23,633
Capital projects.....	70,774,227	108,894	108,894	5,734,876	7,201,928
Unrestricted	<u>(71,054,557)</u>	<u>79,327,127</u>	<u>88,298,437</u>	<u>79,420,102</u>	<u>108,293,627</u>
Total net assets	<u>576,528,260</u>	<u>568,307,714</u>	<u>541,052,976</u>	<u>525,221,932</u>	<u>500,922,981</u>
Total liabilities and net assets	<u>\$1,070,895,299</u>	<u>\$1,016,036,570</u>	<u>\$959,307,408</u>	<u>\$855,831,890</u>	<u>\$802,606,050</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)
Unaudited

ASSETS AND OTHER DEBITS	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assets:					
Cash and cash equivalents	\$ 26,293,281	\$ 21,931,749	\$ 23,394,832	\$ 23,967,967	\$ 23,135,486
Receivables:					
Property, franchise and excise taxes	85,748,520	80,220,923	76,027,526	77,169,851	81,747,405
Loans, prepaids and other receivables	2,890,736	2,742,556	2,450,609	-	-
Due from other governments	5,000	-	-	-	-
Other, principally accrued interest	412,370	277,259	343,948	1,749,000	469,434
Restricted Assets:					
Cash and cash equivalents	<u> -</u>	<u> 113,801</u>	<u> 142,501</u>	<u> 198,589</u>	<u> 281,325</u>
Total Assets and Other Debits	<u>\$115,349,907</u>	<u>\$105,286,288</u>	<u>\$102,359,416</u>	<u>\$103,085,407</u>	<u>\$105,633,650</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 3,029,608	\$ 2,609,281	\$ 2,865,911	\$ 2,683,627	\$ 2,433,248
Accrued liabilities	13,428,351	12,119,520	10,497,536	10,445,611	10,358,992
Current deposits and advance rentals	1,441,539	1,076,864	873,199	521,559	1,120,473
Delayed Revenue Recognition	<u>70,329,536</u>	<u>64,349,615</u>	<u>61,658,795</u>	<u>63,141,643</u>	<u>67,462,190</u>
Total liabilities	<u>88,229,034</u>	<u>80,155,280</u>	<u>75,895,441</u>	<u>76,792,440</u>	<u>81,374,903</u>
Fund Balances:					
Reserved for encumbrances	-	-	-	2,972,401	1,931,020
Nonspendable	2,582,478	3,079,857	6,708,923	-	-
Restricted	-	113,801	-	-	-
Committed	-	2,142,919	-	-	-
Assigned	2,369,642	-	-	198,589	281,325
Unassigned	<u>22,168,753</u>	<u>19,794,431</u>	<u>19,755,052</u>	<u>23,121,977</u>	<u>22,046,402</u>
Total fund balances	<u>27,120,873</u>	<u>25,131,008</u>	<u>26,463,975</u>	<u>26,292,967</u>	<u>24,258,747</u>
Total Liabilities and Fund Balances	<u>\$115,349,907</u>	<u>\$105,286,288</u>	<u>\$102,359,416</u>	<u>\$103,085,407</u>	<u>\$105,633,650</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)
Unaudited

Revenues And Expenditures	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues:					
General property tax	\$ 67,309,705	\$ 62,347,247	\$ 62,240,024	\$ 67,575,196	\$ 66,237,313
Sales, use and excise taxes	53,775,978	49,635,583	46,418,446	44,089,318	47,303,903
Franchise taxes	27,843,740	28,232,971	26,549,178	26,321,802	26,318,421
Licenses	11,846,336	9,755,248	8,240,903	8,076,923	7,861,188
Permits	8,187,911	8,863,736	7,205,559	6,708,832	9,826,201
Fines and forfeitures	5,097,550	5,840,640	6,006,047	6,700,748	6,541,816
Interest	415,827	433,122	883,293	1,189,706	2,309,596
Intergovernmental	5,032,566	5,039,294	5,310,838	4,761,320	4,761,925
Interfund service charges	9,834,116	9,830,406	9,212,199	9,333,427	9,509,226
Parking meter collections	3,003,184	1,791,922	1,557,878	2,027,206	1,646,261
Parking tickets	3,041,874	3,374,058	2,764,396	3,808,670	3,969,193
Charges for services	4,195,655	4,558,938	3,944,391	3,926,353	4,294,227
Contributions	23,679	10,650	19,010	16,342	19,750
Miscellaneous	<u>3,526,351</u>	<u>2,708,746</u>	<u>2,468,362</u>	<u>855,045</u>	<u>593,688</u>
Total Revenues	<u>203,134,472</u>	<u>192,422,561</u>	<u>182,820,524</u>	<u>185,390,888</u>	<u>191,192,708</u>
Expenditures:					
City Council	2,224,525	2,178,462	1,941,221	1,740,270	1,777,148
Mayor	2,473,056	2,452,208	2,176,527	1,770,292	1,910,635
City Attorney	5,422,770	5,212,761	4,912,008	4,237,824	4,662,167
Finance	5,603,552	4,702,460	4,143,529	-	-
Administrative Services	-	-	-	11,307,473	11,819,338
Fire	34,184,764	35,529,048	33,184,291	31,507,737	33,033,125
Combined Emergency Services	5,121,394				
Police	54,719,921	56,894,419	54,842,430	53,305,931	54,178,976
Community & Econ Dev.	16,823,833	17,029,116	15,773,014	12,787,152	14,012,246
Justice Court	3,928,490	4,226,916	4,149,402	-	-
Human Resources	1,882,475	1,760,846	1,567,069	-	-
Public Services	33,287,092	33,515,617	30,452,729	33,265,127	36,899,117
Nondepartmental	<u>21,359,218</u>	<u>15,898,701</u>	<u>15,321,626</u>	<u>15,044,806</u>	<u>16,479,624</u>
Total Expenditures	<u>187,031,090</u>	<u>179,400,554</u>	<u>168,463,846</u>	<u>164,966,612</u>	<u>174,772,376</u>
Revenues Over Expenditures	<u>16,103,382</u>	<u>13,022,007</u>	<u>14,356,678</u>	<u>20,424,276</u>	<u>16,420,332</u>
Other Financing Sources (Uses):					
Proceeds from sale of property	542,981	488,761	440,447	524,810	465,433
Transfers in	4,156,639	3,518,849	4,313,497	10,208,409	6,138,963
Transfers out	<u>(18,813,137)</u>	<u>(18,362,584)</u>	<u>(18,939,614)</u>	<u>(29,123,275)</u>	<u>(26,903,129)</u>
Total Other Financing Sources (Uses)	<u>(14,113,517)</u>	<u>(14,354,974)</u>	<u>(14,185,670)</u>	<u>(18,390,056)</u>	<u>(20,298,733)</u>
Net Change in Fund Balances	1,989,865	(1,332,967)	171,008	2,034,220	(3,878,401)
Fund Balance Prior Year (July 1)	<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>
Fund Balance Year End (June 30)	<u>\$27,120,873</u>	<u>\$25,131,008</u>	<u>\$26,463,975</u>	<u>\$26,292,967</u>	<u>\$24,258,747</u>

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

HISTORICAL CITY TAX RATES

PURPOSE	TAX RATE				
	2013	2012	2011	2010	2009
General Purposes	0.003965	0.003574	0.003451	0.003483	0.003349
Interest & Sinking Fund	0.001064	0.001097	0.001124	0.001076	0.000530
Library	0.000820	0.000846	0.000817	0.000791	0.000760
Judgment Recovery	<u>0.000007</u>	<u>0.000072</u>	<u>0.000047</u>	<u>0.000078</u>	<u>0.000017</u>
Total Levy	0.005856	0.005589	0.005439	0.005428	0.004656

COMPARATIVE PROPERTY TAX RATES WITHIN SALT LAKE COUNTY

Tax Levying Entity	TAX RATE				
	2013	2012	2011	2010	2009
Alta Town	0.001091	0.001065	0.001084	0.001114	0.000980
Bluffdale City	0.001523	0.001630	0.001570	0.001357	0.001247
Cottonwood Heights City	0.002522	0.002654	0.002586	0.002517	0.002399
Draper City	0.001887	0.002009	0.001996	0.001896	0.001818
Herriman City	0.000418	0.000435	0.000418	0.000376	0.000371
Holladay (City of)	0.001707	0.001791	0.001767	0.001720	0.001533
Midvale City	0.000658	0.000687	0.002701	0.002669	0.002262
Murray City	0.002216	0.002259	0.002203	0.002163	0.002022
Riverton City	0.000000	0.000000	0.000880	0.000839	0.000816
Salt Lake City	0.005856	0.005589	0.005439	0.005428	0.004656
Sandy City	0.001520	0.001520	0.001481	0.001402	0.001356
South Jordan City	0.002376	0.002376	0.002332	0.002072	0.002028
South Salt Lake City	0.002757	0.002757	0.002691	0.002729	0.002665
Taylorsville (City of)	0.002722	0.002202	0.001794	0.001739	0.001690
West Jordan City	0.002562	0.002674	0.002069	0.002128	0.002080
West Valley City	0.004670	0.004857	0.004510	0.003644	0.003700

(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 ⁽¹⁾	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE ⁽²⁾	% CHANGE OVER PRIOR YEAR
2012	\$18,231,072,284	0.04%	\$24,078,371,047	(0.38)%
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)	24,719,876,456	(10.53)
2008	20,821,558,105	-	27,627,479,804	-

Including Fee-In-Lieu/Age Based Valuation

YEAR	TAXABLE VALUE ⁽¹⁾	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE ⁽²⁾	% CHANGE OVER PRIOR YEAR
2012	\$18,511,000,101	0.03%	\$24,358,298,864	(0.38)%
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	-	28,671,850,538	-

(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 also herein "FINANCIAL INFORMATION—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 2008 THROUGH 2012

	2012		2011		2010		2009		2008	
	TAXABLE VALUE	% OF T.V.	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	
<i>Set by State Tax Commission— Centrally Assessed</i>										
Total centrally assessed.....	\$ 1,618,052,878	8.74%	\$ 1,577,040,773	\$ 1,610,083,284	\$ 1,603,444,833	\$ 2,076,836,331				
<i>Set by County Assessor—Locally Assessed</i>										
Real property:										
Primary residential	7,142,953,245	38.60	7,263,214,853	7,204,572,132	7,522,657,942	8,314,285,404				
Secondary residential	180,928,160	0.98	180,003,270	176,730,700	183,319,370	197,308,550				
Commercial and industrial	7,607,614,630	41.10	7,472,027,650	7,341,913,730	7,362,953,510	8,489,152,490				
FAA	0	0.00	0	0	0	0				
Unimproved Non-FAA-Vacant.....	944,740	0.01	989,980	945,030	1,144,060	7,396,660				
Agricultural	58,730	0.00	56,380	62,270	72,180	83,650				
Total real property.....	14,932,499,505	80.67	14,916,292,133	14,724,223,862	15,070,147,062	17,008,226,754				
Personal property:										
Primary mobile homes.....	3,745,243	0.02	3,653,927	3,709,447	3,956,511	4,063,339				
Secondary mobile homes.....	5,256,207	0.03	4,722,895	6,782,678	4,260,559	3,268,840				
Other business personal property	1,671,214,675	9.03	1,722,599,061	1,716,215,584	1,879,628,393	1,729,162,841				
SCME	303,776	0.00	13,122	0	0	0				
Total personal property	1,680,519,901	9.08	1,730,989,005	1,726,707,709	1,887,845,463	1,736,495,020				
Fee in lieu/age based property ⁽¹⁾	279,927,817	1.51	798,935,535	871,616,151	864,675,255	1,044,100,734				
Total locally assessed.....	16,892,947,223	91.26	17,446,216,673	17,322,547,722	17,822,667,780	19,788,822,508				
Total taxable value.....	\$18,511,000,101	100.00	\$19,023,257,446	\$18,932,631,006	\$19,426,112,613	\$21,865,658,839				
Total taxable value (less fee in lieu/age based property)	\$18,231,072,284	98.49	\$18,224,321,911	\$18,061,014,855	\$18,561,437,358	\$20,821,558,105				

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

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 ⁽¹⁾		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	98.3	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	2012* TAXABLE VALUE(1)	% OF THE CITY'S 2011 TAXABLE VALUE
LDS Church (Property Reserve, City Creek Reserve)	Real Estate Holding	\$ 669,672,144	3.67%
PacifiCorp	Electric Utility	388,873,207	2.13
Delta Airlines	Air Transportation	166,964,580	0.92
Qwest Corporations	Communication	162,638,196	0.89
Sky West Airlines	Air Transportation	138,508,482	0.76
Inland Western Salt Lake	Retail	122,129,500	0.67
Tesoro Refining	Oil Company	118,777,247	0.65
Wasatch Plaza Holdings, LLC	Real Estate Holding	115,547,000	0.63
Questar Gas	Natural Gas	102,514,688	0.56
Natomas Meadows LLC	Real Estate	<u>87,124,200</u>	<u>0.48</u>
		<u>\$2,072,749,244</u>	<u>11.36%</u>

* Preliminary; subject to change.

(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, 2013.)

RECENT DEVELOPMENTS

In establishing the budget for the current fiscal year, the City anticipated a better economic picture than existed in the previous fiscal year, including increasing the budget for sales tax revenues by 4.6%. For the first five months of the current fiscal year, local sales tax revenues have grown by about 5.6% from the prior fiscal year over the same period of time. Franchise and building permits revenues are projected to be as budgeted. Court fines and parking tickets are down approximately \$1.6 million. Based on those facts, the City is currently projecting that its total actual revenues for the fiscal year 2014 will be under budget by about \$500,000. The City continues to monitor its revenues very closely.

In fiscal year 2013 the City gave employees an approximate 1.0% salary increase, plus a step increase depending on the number of years of service. The step increase had a range from 5% to 8%. The City implemented in 2011 a high deductible health insurance program and 48% of the employees chose to move to that plan. In fiscal year 2014, approximately 74% of the City's employees enrolled in the high deductible plan. The City expects that 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 is forecasting a zero percent increase in the high deductible plan for fiscal year 2015 as well.

The City ended the fiscal year 2013 with a positive variance of \$2.2 million of expenditures under budget. Property tax revenues were lower than budgeted due to decreased property values for centrally assessed properties. The City also experienced decreased revenues for business licenses, court fines and parking tickets. Shortfalls from those revenue streams totaled approximately \$1.6 million under budget. Sales tax collections were approximately \$3 million over budget and were able to cover the shortfalls experienced in other revenue streams, which resulted in a \$1.8 million surplus over budget for the fiscal year's revenues.

With increasing sales tax collections and stable property tax revenue, the City has been able to withstand the recession in the past years. Fund balance for the end of the fiscal year 2013 was \$27.1 million or 13.4% of total revenues for the year. The City Council and administration have an internal goal to keep the fund balance above 10% of total revenue for each fiscal year. The City Council increased the property taxes by \$8 million for the current fiscal year, \$3 million of which will go to the general fund operating needs and \$5 million to capital improvements.

CERTAIN LEGAL MATTERS

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.

APPENDIX B

**SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

APPENDIX C

SUMMARIES OF PRINCIPAL DOCUMENTS

APPENDIX D

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Series 2014A Bonds. The Series 2014A 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 Series 2014A Bond certificate will be issued for each maturity of the Series 2014A 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.

Purchases of the Series 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014A Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2014A Bonds, except in the event that use of the book-entry system for the Series 2014A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014A 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 Series 2014A 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 Series 2014A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014A 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 Series 2014A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2014A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2014A Bond documents. For example, Beneficial Owners of the Series 2014A Bonds may wish to ascertain that the nominee holding the Series 2014A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014A 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 Series 2014A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer 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 Series 2014A 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 Series 2014A 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 Issuer 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 Issuer, 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 Issuer 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 Series 2014A Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2014A Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2014A 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 Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

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 “*City*”) in connection with the issuance of by the Local Building Authority of Salt Lake City, Utah (the “*Authority*”) of its \$_____ Lease Revenue Bonds, Series 2014A (the “*Bonds*”). The Bonds are being issued pursuant to an Indenture of Trust, Mortgage, Assignment of Lease Agreements and Security Agreement, dated as of June 1, 2013 (the “*Original Indenture*”), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of March 1, 2014 (the “*First Supplement*” and, together with the Original Indenture, the “*Indenture*”), each between the Authority and U.S. Bank National Association, as trustee.

In consideration of the issuance of the Bonds by the Authority, the lease of the Mortgaged Property (as defined in the Indenture) by the Authority to the City and the purchase of such Bonds by the beneficial owners thereof, the City covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the City as of the date set forth above, 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 City 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.

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 City 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 City and which has filed with the City 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 City pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds maturing in each of the following years are as follows:

APRIL 15 OF THE YEAR	CUSIP NUMBER	APRIL 15 OF THE YEAR	CUSIP NUMBER
-------------------------	-----------------	-------------------------	-----------------

The Final Official Statement relating to the Bonds is dated _____, 2014 (the “*Final Official Statement*”). The City will include the CUSIP Numbers in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Agreement, the City 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 City 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.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the City 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 or the State 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 Indenture.

6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The City 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 City 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 City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the City 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 City, 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 either by parties unaffiliated with the City or any other obligated person (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 City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

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

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

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the City 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 City 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 City 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.

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 City, the Authority, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The City 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.

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

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

DATED as of the day and year first above written.

SALT LAKE CITY, UTAH

By _____
Mayor

ATTEST:

By _____
City Recorder

[SEAL]

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 *Appendix A* of the Official Statement under the following captions:

CAPTION	PAGE
OUTSTANDING INDEBTEDNESS	
— Outstanding Debt Issues.....	
— Overlapping General Obligation Debt	
— General Obligation Legal Debt Limit and Additional Debt Incurring Capacity	
FINANCIAL INFORMATION	
— 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 City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 185 days after the last day of the City’s fiscal year. 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 City.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City 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 City*
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City 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 City, 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 City.