

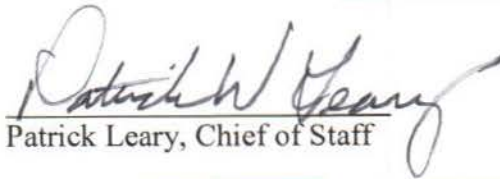


DEPARTMENT of FINANCE

JACKIE BISKUPSKI  
MAYOR

**CITY COUNCIL TRANSMITTAL**

MARINA SCOTT  
CITY TREASURER

  
Patrick Leary, Chief of Staff

Date Received: July 6, 2017  
Date sent to Council: July 10, 2017

**TO:** Salt Lake City Council  
Stan Penfold, Chair

**DATE:** July 5, 2017

**FROM:** Mary Beth Thompson, Chief Financial Officer 

**SUBJECT:** Salt Lake City General Obligation Refunding Bonds, Series 2017B

**STAFF CONTACT:** Marina Scott, City Treasurer 801-535-6565  
Joseph Moratalla, Deputy City Treasurer 801-535-6468

**COUNCIL SPONSOR:** Exempt

**DOCUMENT TYPE:** Briefing

**RECOMMENDATION:** 1) That the City Council adopt a Bond Resolution on August 8, 2017 approving the issuance and sale of up to \$16,000,000 principal amount of General Obligation Refunding Bonds, Series 2017B (the "Bonds"), and give authority to certain officers to approve the final terms and provisions of and confirm the sale of the Bonds within certain parameters set forth in the attached Bond Resolution.

**BUDGET IMPACT:**

Current estimates provided by the City's Financial Advisors indicate that the City could expect to receive approximately \$700,000 (about 4.8% of refunded principal) in savings in reduced debt costs resulting from the refunding. It is important to note that these estimates are subject to change based on market conditions at the time of sale. These savings, starting in 2021, will be reflected in slightly lower tax bills to property owners, spread over the next 10 years (on average, approximately \$70,000/year over the next 10 years.)

**Please note:** Although we are still experiencing historically low interest rates, rates have continued to fluctuate. It is hard to say what will happen to rates in the next few months. The Administration will continue to monitor bond markets. However, there is a

possibility that the refunding might be delayed based on the market conditions.

**BACKGROUND/DISCUSSION:**

In 2010 the City issued General Obligation Revenue Bonds, Series 2010A as taxable Build America Bonds for the purpose of financing the cost of providing a public safety administration and operations building, an emergency operations center, and related facilities. Currently the City is getting the federal interest subsidy to assist with the interest payments on the bonds. The City can refund its callable Build America Bonds with tax-exempt bonds and retain its federal interest subsidy until the call date in 2021. Beginning in 2021, the City would have reduced its debt payments.

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

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

The current plan calls for the Bonds to be sold on September 13, 2017. However, as previously mentioned, the bond sale might be delayed based on the market conditions.

The Designated Officers defined in the attached Bond Resolution are authorized to approve the interest rate(s) and other terms and provisions relating to the Bonds by executing the Certificate of Determination, which is also attached.

A draft copy of the Bond Resolution and most of its attachments are included for your review. Please keep in mind that these are preliminary drafts and are subject to change.

**Attachments**

cc: Mary Beth Thompson, Teresa Beckstrand, Boyd Ferguson, Joseph Moratalla, Steven Bagley

**SALT LAKE CITY, UTAH**

**Resolution No. \_\_\_ of 2017**

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

**\$16,000,000**

**General Obligation Refunding Bonds, Series 2017B**

**Adopted August 8, 2017**

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**RESOLUTION NO. \_\_ OF 2017**

A Resolution authorizing the issuance and sale of up to \$16,000,000 General Obligation Refunding Bonds, Series 2017B, of Salt Lake City, Utah; providing for the levy of taxes to pay principal of and interest on the Bonds; providing for the use of the proceeds thereof; making certain findings and covenants in connection therewith; providing for a system of registration therefor; ratifying actions heretofore taken; making certain representations and covenants concerning maintenance of the tax-exempt status of interest thereon under the federal income tax laws; approving the form and authorizing the execution of a Purchase Agreement and an Escrow Agreement; giving authority to certain officers to approve the final terms and provisions of the Bonds within the parameters set forth herein; and providing for related matters.

\*\*\*            \*\*\*            \*\*\*

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

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

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

WHEREAS, in order to provide for the payment of debt service on the Bonds (defined below) until and including June 15, 2020 (the "*Crossover Refunding Date*"), the Escrow Agent will invest the proceeds of the Bonds as provided in the Escrow Agreement;

WHEREAS, on the Crossover Refunding Date, the Refunded Bonds (defined below) will be paid at maturity or upon redemption as provided in the Escrow Agreement;

WHEREAS, in the opinion of the Issuer, it is in the best interests of the Issuer that the Designated Officers be authorized to approve the final principal amount, maturity amounts, interest rates, dates of maturity and other terms and provisions relating to the Bonds, to execute

the Certificate of Determination containing such terms and provisions and to accept the offer of the Purchaser for the purchase of the Bonds; and

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

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

## ARTICLE I

### DEFINITIONS

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

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

“*Bond Account*” means the Bond Account established in Section 212 hereof.

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

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

“*Bond Resolution*” means this Resolution of the Issuer adopted on August 8, 2017, authorizing the issuance and sale of the Bonds.

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

“*Bonds*” means the Issuer’s General Obligation Refunding Bonds, Series 2017B authorized by the Bond Resolution.

“*Book-Entry Bonds*” means Bonds, if any, registered in the name of Cede, as nominee of DTC, for purposes of DTC’s book-entry system.

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

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

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

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

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

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

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

“*Costs of Issuance Account*” means the Costs of Issuance Account established in Section 212 hereof.

“*Crossover Refunding Date*” means June 15, 2020.

“*Depository Account*” means the Depository Account established in Section 212 hereof.

“*Designated Officers*” means (a) the (i) Mayor of the City; or (ii) in the event of the absence or incapacity of the Mayor, the Mayor’s Chief of Staff; or (iii) in the event of the absence or incapacity of both the Mayor and the Mayor’s Chief of Staff, the City Treasurer; or (iv) in the event of the absence or incapacity of the Mayor, the Mayor’s Chief of Staff and the City Treasurer, the Deputy Treasurer of the City and (b) (i) the Chair of the City Council; or (ii) in the event of the absence or incapacity of the Chair of the City Council, the Vice Chair of the City Council; or (iii) in the event of the absence or incapacity of both the Chair and Vice Chair of the City Council, any other member of the City Council.

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

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

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

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

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



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

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

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

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

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

“*Purchase Agreement*” shall have the meaning described in Section 208.

“*Purchaser*” means the purchaser of the Bonds, whether by private placement, competitive sale or negotiated underwriting.

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

“*Refunded Bonds*” means the Issuer’s currently outstanding Series 2010A Bonds that mature on or after June 15, 202[1].

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

“*Series 2010A Bonds*” means the Issuer’s General Obligation Bonds, Series 2010A, currently outstanding in the aggregate principal amount of \$25,000,000, a portion of which is being refunded with a portion of the Bonds.

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

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

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

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

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

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

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

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

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF BONDS

*Section 201. Authorization of Bonds, Principal Amount, Designation and Series.* In accordance with and subject to the terms, conditions and limitations established by the Act and in the Bond Resolution, a series of General Obligation Refunding Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of not to exceed Sixteen Million Dollars (\$16,000,000). Such series of bonds shall be designated “*General Obligation Refunding Bonds, Series 2017B.*” If the Designated Officers determine pursuant to Sections 204(b)(i) and 208 hereof that the principal amount to be issued shall be less than Sixteen Million Dollars (\$16,000,000), then the principal of such series of bonds shall be limited to the amount so determined by the Designated Officers.

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

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

*Section 204. Bond Details.* (a) The Bonds shall mature on June 15 of the years and in the principal amounts, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the Closing Date, payable semiannually on June 15 and December 15 of each year, commencing \_\_\_\_\_ 15, 201\_, and at the rates per annum, all as provided in the Certificate of Determination.

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

(i) the principal amount of the Bonds necessary to accomplish the purpose of the Bonds set forth in Section 202 herein and the aggregate principal amount of the Bonds to be executed and delivered pursuant to Section 209 herein; *provided* that the aggregate principal amount of the Bonds shall not exceed Sixteen Million Dollars (\$16,000,000);

(ii) the maturity date or dates and principal amount of each maturity of the Bonds to be issued; *provided, however*, that the Bonds mature over a period of not to exceed thirteen (13) years from their date or dates;

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

(iv) the use and deposit of the proceeds of the Bonds including any available funds of the Issuer to be deposited in the Escrow Account to be used to pay debt service on the Bonds until the Crossover Refunding Date and to refund the Refunded Bonds on the Crossover Refunding Date;

(v) the amount, use and deposit of any funds of the Issuer legally available to provide for the refunding of the Refunded Bonds (including, as provided in Section 214 hereof, monies held by the Issuer for payment of debt service on the Refunded Bonds);

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

(vii) if different than those specified in Section 204(a), the interest payment dates and the date on which payment of interest will commence;

(viii) the Bonds subject to redemption at the election of the Issuer, the date such Bonds are first subject to redemption and the price at which such Bonds are to be redeemed; *provided, however*, that the first date the Bonds shall be subject to redemption shall be not later than \_\_\_\_\_ (\_\_\_) year from the date of issuance thereof;

(ix) the Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts thereof;

(x) whether the Bonds are initially issued as Book-Entry Bonds;

(xi) the authorized denomination of the Bonds (the “*Authorized Denomination*”); and

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

(c) Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an interest payment date, in which event it shall bear interest from the date thereof, or (ii) it is registered and authenticated prior to the first interest payment date, in which event it shall bear interest from its date, or (iii) as shown by the records of the Bond Registrar, interest on the Bonds shall be in default, in which event it shall bear interest from the date to which interest has been paid in full. The Bond Registrar shall insert the date of registration and authentication of each

Bond in the place provided for such purpose in the form of Bond Registrar's certificate of authentication on each Bond. The Bonds shall bear interest on overdue principal at the respective rates provided in the Certificate of Determination.

*Section 205. Denominations and Numbers.* The Bonds shall be issued as fully-registered bonds, without coupons, in the Authorized Denomination determined in the Certificate of Determination. The Bonds shall be numbered with the letter prefix "R-" and from one (1) consecutively upwards in order of issuance.

*Section 206. Paying Agent and Bond Registrar.* U.S. Bank National Association, of Salt Lake City, Utah, is hereby appointed the initial Paying Agent and Bond Registrar for the Bonds. The Issuer may remove any Paying Agent and any Bond Registrar, and any successor thereto, and appoint a successor or successors thereto. The Mayor and the City Recorder are hereby authorized and directed to enter into an agreement or agreements with each Paying Agent (a "*Paying Agent Agreement*"), which may establish certain duties and obligations of the Paying Agent and the Issuer, including, without limitation those duties and obligations set forth in Section 502 hereof. Each Paying Agent and Bond Registrar shall signify its acceptance of the duties and obligations imposed upon it by the Bond Resolution by executing and delivering to the Issuer a written acceptance thereof, which written acceptance may be contained in a Paying Agent Agreement. The principal of, and premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America that, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Principal of and premium, if any, on the Bonds shall be payable when due to the owner of each Bond upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent. Payment of interest on each Bond shall be made to the Person that, as of the Record Date, is the owner of the Bond and shall be made by check or draft mailed to the Person that, as of the Record Date, is the owner of the Bond, at the address of such owner as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date.

*Section 207. Redemption Provisions.* (a) The Bonds shall be subject to redemption prior to maturity, at the election of the Issuer, on the date, if any, specified in the Certificate of Determination (the "*First Redemption Date*"), and on any date thereafter, in whole or in part, from such maturities or parts thereof as shall be selected by the Issuer, upon notice given as provided below, at a redemption price specified in the Certificate of Determination. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

(b) The Bonds may be subject to mandatory redemption by operation of sinking fund installments as provided in the Certificate of Determination. If the Bonds are subject to mandatory sinking fund redemption and less than all of the Bonds then outstanding are redeemed in a manner other than pursuant to a mandatory sinking fund redemption, the principal amount so redeemed shall be credited at 100% of the principal amount thereof by the Bond Registrar against the obligation of the Issuer on such mandatory sinking fund redemption dates for the Bonds in such order as directed by the Issuer.

(c) If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed shall be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered Bond of a denomination of more than the lowest Authorized Denomination to be redeemed will be in the principal amount of the lowest Authorized Denomination or a whole multiple thereof, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of the lowest Authorized Denomination that is obtained by dividing the principal amount of such Bond by the lowest Authorized Denomination.

(d) Notice of redemption shall be given by the Bond Registrar by registered or certified mail, not less than thirty (30) nor more than forty-five (45) days prior to the redemption date, to the owner of each Bond that is subject to redemption, at the address of such owner as it appears in the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner. Each notice of redemption shall state the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date. Each notice of optional redemption may further state that such redemption shall be conditional upon the receipt by the Paying Agent, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Bond Registrar shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the owner receives such notice. Failure to give such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

(e) In addition to the foregoing notice under subsection (d) above, further notice of such redemption shall be given by the Bond Registrar as set out below, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers, if any, of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date to, if the Bonds are Book-Entry Bonds, DTC in accordance with the operating procedures then in effect for DTC, and to all other registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds designated to the Bond Registrar by the Issuer, to the Rating Agencies and to any other nationally recognized information services as designated by the Issuer to the Bond Registrar.

(f) If notice of redemption shall have been given as described above and the condition described in Section 207(d) hereof, if any, shall have been met, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for the payment of the redemption price of all the bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such bonds shall cease to accrue and become payable.

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

(h) The Bond Registrar shall also give any notice of the “defeasance” or redemption of the Bonds that may be required by any continuing disclosure undertaking provided that the Issuer shall provide to the Bond Registrar any documents or other information that the Bond Registrar requests to provide such notice.

*Section 208. Sale of Bonds.* (a) The Bonds shall be sold to the Purchaser at the aggregate price set forth in the Certificate of Determination, on the terms and conditions set forth in the Certificate of Determination and a bond purchase agreement, term sheet, continuing covenant agreement, commitment or such other document, if any, as is used to evidence the terms and conditions of the sale of the Bonds to the Purchaser (the “*Purchase Agreement*”) and upon the basis of the representations therein set forth. The Purchase Agreement, in the form approved by the Designated Officers, is hereby authorized and approved. To evidence the acceptance of the Purchase Agreement, the Mayor is hereby authorized and directed to execute and deliver, and the City Recorder to attest, countersign and seal the Purchase Agreement.

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

*Section 209. Execution of Bonds.* The Bonds shall be executed on behalf of the Issuer by the Mayor and attested and countersigned by the City Recorder (the signatures of the Mayor and City Recorder being either manual or by facsimile) and the official seal of the Issuer or a facsimile thereof shall be impressed or printed thereon. The use of such manual or facsimile signatures of the Mayor and the City Recorder and such facsimile or impression of the official seal of the Issuer on the Bonds are hereby authorized, approved and adopted by the Issuer as the authorized and authentic execution, attestation, countersignature and sealing of the Bonds by said officials on

behalf of the Issuer. The Bonds shall then be delivered to the Bond Registrar for registration and manual authentication by it. Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of the Bond Resolution, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, this Bond Resolution and that the owner thereof is entitled to the benefits of this Bond Resolution. The certificate of authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (i) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be authenticated by the same Bond Registrar, and (ii) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

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

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

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

Agreement and to set the proceeds of the sale of the Bonds aside for deposit and use as set forth in the Certificate of Determination.

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

*Section 211. Further Authority.* The Mayor, the City Treasurer and the City Recorder and other officers of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents and other instruments, including the Escrow Agreement and the Purchase Agreement, as may be necessary or advisable to provide for the issuance, sale, registration and delivery of the Bonds and to fulfill the obligations of the Issuer hereunder and thereunder.

*Section 212. Establishment of Accounts.* (a) The following accounts on the accounting records of the Issuer are hereby created, which are to be held as follows:

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

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

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

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

*Section 213. Notice of Bonds to be Issued.* In accordance with the provisions of Section 11-27-4 of the Utah Code, the City Recorder shall cause the "Notice of Bonds to be Issued," in substantially the form attached hereto as *Exhibit B*, to be published one time in *The Salt Lake Tribune* and the *Deseret News*, each newspapers of general circulation in the Issuer, and shall cause a copy of this Bond Resolution (together with all exhibits hereto) to be kept on file in her office for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof.

For a period of thirty (30) days from and after publication of the Notice of Bonds to be Issued, any person in interest shall have the right to contest the legality of this Bond Resolution or



the Bonds hereby authorized or any provisions made for the security and payment of the Bonds. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Bond Resolution or the Bonds or any provisions made for the security and payment of the Bonds for any cause.

*Section 214. Provision for Refunding the Refunded Bonds.* It is hereby found and determined that, pursuant to the Escrow Agreement and this Bond Resolution, moneys and governmental obligations permitted under the Act, the principal of and the interest on which, when due, will provide moneys that will be sufficient to pay, when due, pursuant to call for redemption, the redemption price of and interest due and to become due on, the Refunded Bonds, will be deposited with the Escrow Agent and provision thereby made for the refunding of the Refunded Bonds.

*Section 215. Authorization of Escrow Agreement.* The Escrow Agreement, in substantially the form set forth as *Exhibit C* hereto, with such insertions, changes and additions as shall be made with the approval of the Mayor, her execution thereof to constitute conclusive evidence of such approval, is hereby in all respects authorized and approved. The Mayor, on behalf of the Issuer, shall enter into the Escrow Agreement with the Escrow Agent establishing the Escrow Account from which (a) debt service on the Bonds shall be paid until the Crossover Refunding Date and (b) redemption price of the Refunded Bonds shall be paid on the Crossover Refunding Date. After all the Refunded Bonds shall have become due and payable pursuant to call for redemption, any investments remaining in the Escrow Account shall be liquidated, and any proceeds of liquidation over and above the amount necessary to be retained for the payment of any Refunded Bonds not yet presented for payment, including interest due and payable, shall be paid over to the Issuer to be used for any lawful purpose. The Mayor is hereby authorized and directed to execute and deliver, and the City Recorder to seal, countersign and attest, the Escrow Agreement.

*Section 216. Authorization of Redemption Prior to Maturity of Refunded Bonds.* The Refunded Bonds are hereby irrevocably called for redemption on the Crossover Refunding Date, at the redemption price of one hundred percent (100%) of the principal amount of each such Series 2010A Bond so called for redemption plus accrued interest thereon to the date fixed for redemption. Notice of such redemption shall be given as provided in the resolution authorizing the Series 2010A Bonds.

### **ARTICLE III**

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

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

the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

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

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

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

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

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

*Section 305. Duties of Bond Registrar.* If requested by the Bond Registrar, the Mayor and the City Recorder are authorized to execute the Bond Registrar's standard form of agreement

between the Issuer and the Bond Registrar with respect to the compensation, obligations and duties of the Bond Registrar hereunder, which may include the following:

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

#### **ARTICLE IV**

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

*Section 401. Book-Entry System; Limited Obligation of Issuer.* (a) Any Book-Entry Bonds shall be issued in the form of a separate, single, certificated, fully-registered Bond for each of the maturities set forth in Section 204 hereof. The ownership of each such Book-Entry Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC. Except as provided in Section 403 hereof, all of the outstanding Book-Entry Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede, as nominee of DTC.

(b) With respect to Book-Entry Bonds, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in the Book-Entry Bonds. Without limiting the immediately preceding sentence, the Issuer, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Book-Entry Bonds, (ii) the delivery to any Participant or any other Person, other than a Bondowner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Book-Entry Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other Person, other than a Bondowner,

as shown in the registration books kept by the Bond Registrar, of any amount with respect to the principal of or premium, if any, or interest on the Book-Entry Bonds. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose name each Book-Entry Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such Book-Entry Bond for the purpose of payment of principal, premium and interest with respect to such Book-Entry Bond and other matters with respect to such Book-Entry Bond, for the purpose of registering transfers with respect to such Book-Entry Bond, for the purpose of giving notices of redemption and for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Book-Entry Bonds only to the respective Bondowners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided in Section 206 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and premium, if any, and interest on the Book-Entry Bonds to the extent of the sum or sums so paid. No Person other than a Bondowner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Bond evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest pursuant to the Bond Resolution.

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

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

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

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

## ARTICLE V

### COVENANTS AND UNDERTAKINGS

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

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

The taxes or other funds that are referenced in the foregoing paragraph and that are to be used to pay the principal of or interest on the Bonds shall be deposited into the Bond Account. On or prior to the date preceding each date on which monies are required to be on deposit with the Paying Agent sufficient for the payment of the principal of and interest on the Bonds, but in any event not later than the business day next preceding each such payment date, the Issuer shall (a) prior to and on the Crossover Refunding Date, cause the Escrow Agent to transfer from the Escrow Account for deposit into the Depository Account and (b) after the Crossover Refunding Date, transfer from the Bond Account to the Paying Agent for deposit into the Depository Account an amount sufficient to pay principal of and interest on the Bonds on such payment date. On each principal or interest payment date, the Paying Agent shall pay out of the Depository Account the principal of or interest on the Bonds then coming due. Moneys remaining on deposit in the Bond Account immediately after each such payment date, including any investment earnings thereon earned during the period of such deposit, shall be immediately withdrawn from the Bond Account by the Issuer and commingled with the general funds of the Issuer. Moneys remaining on deposit

in the Depository Account immediately after each such payment date, including any investment earnings thereon earned during the period of such deposit, shall be immediately withdrawn from the Depository Account by the Paying Agent and paid to the Issuer and commingled with the general funds of the Issuer. The Bond Account and the Depository Account have been established primarily to achieve a proper matching of revenues and debt service on the Bonds. The Bond Account and the Depository Account shall be depleted at least once each year by the Issuer, except for a reasonable carryover amount not to exceed the greater of one year's earnings on the Bond Account or one-twelfth of the annual debt service on the Bonds.

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

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

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

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

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

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

(v) no bonds or other evidences of indebtedness of the Issuer (other than the Bonds) have been or will be issued, sold or delivered within a period beginning fifteen (15)

days prior to the sale of the Bonds and ending fifteen (15) days following the delivery of the Bonds, other than the Bonds;

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

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

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

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

## **ARTICLE VI**

### **FORM OF BONDS**

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

[The remainder of the page intentionally left blank.]

[FORM OF BOND]

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

Registered

Registered

UNITED STATES OF AMERICA

STATE OF UTAH

COUNTY OF SALT LAKE

SALT LAKE CITY

GENERAL OBLIGATION REFUNDING BOND, SERIES 2017B

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

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

INTEREST RATE:

MATURITY DATE:

DATED DATE:

\_\_\_\_\_%

June 15, 20\_\_

\_\_\_\_\_, 2017

REGISTERED OWNER:

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

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Utah (the "Issuer"), a duly organized and existing municipal corporation and a political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the "Principal Amount"), and to pay the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date identified above (the "Dated Date"), or unless, as shown by the records of the hereinafter referred to Bond Registrar, interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the interest rate per annum (calculated on the basis of a year of 360 days consisting of twelve 30-day months) identified above (the "Interest Rate"), payable semiannually on December 15 and June 15 in each year, commencing \_\_\_\_\_



15, 201\_, until payment in full of the Principal Amount. This Bond shall bear interest on overdue principal at the Interest Rate. Principal of and premium, if any, on this Bond shall be payable upon presentation and surrender hereof at the principal corporate trust office of U.S. Bank National Association, of Salt Lake City, Utah, as Paying Agent for the Bonds, or at the principal corporate trust office of any successor who is at the time the Paying Agent of the Issuer, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts; and payment of the interest hereon shall be made to the registered owner hereof and shall be paid by check or draft mailed to the person who is the registered owner of record on the Record Date.

This Bond is one of the General Obligation Refunding Bonds, Series 2017B of the Issuer (the “*Bonds*”), limited to the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_), dated as of the Dated Date, issued under and by virtue of the Utah Refunding Bonding Act, Chapter 27 of Title 11, Utah Code Annotated 1953, as amended (the “*Utah Code*”), the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code, and the applicable provisions of Title 10 of the Utah Code (collectively, the “*Act*”), and under and pursuant to a resolution of the Issuer adopted on August 8, 2017 (the “*Bond Resolution*”), for the purpose of providing funds to refund a portion of outstanding general obligation bonds of the Issuer.

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

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

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

The Bonds are issuable solely in the form of registered Bonds in the denomination of \_\_\_\_\_.

{ Insert redemption provisions. }

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

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

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

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

SALT LAKE CITY, UTAH

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

ATTEST AND COUNTERSIGN:

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

[SEAL]

APPROVED AS TO FORM:

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

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

This Bond is one of the Bonds described in the within-mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2017B of Salt Lake City, Utah.

U.S. BANK NATIONAL ASSOCIATION, as Bond  
Registrar

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

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

Bond Registrar and Paying Agent:

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

[FORM OF ASSIGNMENT]

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

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

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

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

Insert Social Security or Other  
Identifying Number of Assignee

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

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

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

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

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

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

## ARTICLE VII

### MISCELLANEOUS

*Section 701. Ratification.* All proceedings, resolutions and actions of the Issuer and its officers taken in connection with the sale and issuance of the Bonds are hereby ratified, confirmed and approved.

*Section 702. Severability.* It is hereby declared that all parts of this Bond Resolution are severable, and if any section, paragraph, clause or provision of this Bond Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Bond Resolution.

*Section 703. Conflict.* All resolutions, orders and regulations or parts thereof heretofore adopted or passed that are in conflict with any of the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

*Section 704. Captions.* The table of contents and captions or headings herein are for convenience of reference only and in no way define, limit or describe the scope or intent of any provisions or sections of this Bond Resolution.

*Section 705. Effective Date.* This Bond Resolution shall take effect immediately.

*(Signature page follows.)*

ADOPTED AND APPROVED this 8th day of August, 2017.

SALT LAKE CITY, UTAH

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

[SEAL]

ATTEST:

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

APPROVED:

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

APPROVED AS TO FORM:

By Boyd Ferguson  
Senior City Attorney  
Boyd Ferguson

**EXHIBIT A**

[CERTIFICATE OF DETERMINATION DELIVERED  
SIMULTANEOUSLY HERewith AS DOCUMENT NO. A-5]



**EXHIBIT B**

**NOTICE OF BONDS TO BE ISSUED**

NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 11-27-4, Utah Code Annotated 1953, as amended, that on August 8, 2017, Salt Lake City, Utah (the “*Issuer*”), adopted a resolution (the “*Resolution*”) in which it authorized and approved the issuance of its General Obligation Refunding Bonds, Series 2017B (the “*Bonds*”), in the aggregate principal amount of not to exceed \$16,000,000, to bear interest at a rate or rates of not to exceed 6.00% per annum, to mature over a period not to exceed 13 years from their date or dates and to be sold at a discount from par, expressed as a percentage of the principal amount, of not to exceed 2.00%.

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

The Bonds will be secured by the full faith and credit of the Issuer.

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

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

DATED this 8th day of August, 2017.

SALT LAKE CITY, UTAH

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

[SEAL]

**EXHIBIT C**

[ESCROW AGREEMENT DELIVERED SIMULTANEOUSLY  
HEREWITH AS DOCUMENT NO. A-3]

**CERTIFICATE OF DETERMINATION**

**PURSUANT TO**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017B**

DATED: \_\_\_\_\_, 2017

1. *Authority; Definitions.* Pursuant to Resolution No. \_\_ of 2017 Authorizing the Issuance and Sale of up to \$16,000,000 General Obligation Refunding Bonds, Series 2017B, adopted by the City Council of Salt Lake City, Utah (the “*Issuer*”), on August 8, 2017 (the “*Resolution*”), the Issuer has authorized the issuance of its General Obligation Refunding Bonds, Series 2017B (the “*Bonds*”). This certificate is executed pursuant to and in accordance with the delegation of authority contained in the Resolution, as authorized by law. All terms used herein and not otherwise defined herein shall have the meanings specified in the Resolution.

2. *Aggregate Principal Amount and Maturity of Bonds.* The Bonds shall be issued for the purpose specified in Section 202 of the Resolution in the aggregate principal amount of \$\_\_\_\_\_. The Bonds shall mature on the dates and in the principal amounts, and shall bear interest payable semiannually on June 15 and December 15, commencing \_\_\_\_\_ 15, 201\_ at the respective rates per annum, shown below:

	AMOUNT MATURING	INTEREST RATE
JUNE 15		

3. *Purchase Price of the Bond.* The sale of the Bonds to the Purchaser at the price of \$\_\_\_\_\_ (representing the par amount of the Bonds) is hereby confirmed. The Bonds shall be delivered to the Purchaser and the proceeds of sale thereof applied as provided in the Resolution, the Purchase Agreement and paragraph 4 hereof.

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

(a) \$\_\_\_\_\_ of such proceeds shall be deposited in the Escrow Account for the Refunded Bonds; and

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

5. *Authorized Denominations.* The Bonds shall be issued in the Authorized Denomination of \$[5,000] or any whole multiple thereof.

6. *Redemption Provisions.* {Insert Redemption Provisions.}

7. *Book-Entry Bonds.* [The Bonds shall be initially issued as Book-Entry Bonds.]

8. *Refunded Bonds.* The portion of the Issuer's currently outstanding Series 2010A Bonds to be refunded as Refunded Bonds pursuant to the Resolution shall be as follows:

SCHEDULED MATURITY (JUNE 15)	PRINCIPAL AMOUNT	INTEREST RATE
	\$	%

TOTAL: \$\_\_\_\_\_

*(Signature page follows.)*

IN WITNESS WHEREOF, I have hereunto set my hand on the \_\_\_\_ day of \_\_\_\_\_, 2017.

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

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

APPROVED AS TO FORM:

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

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT dated as of October 1, 2017, by and between SALT LAKE CITY, UTAH, a municipal corporation and a political subdivision of the State of Utah (the “City”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out and having an office and place of business in Salt Lake City, Utah (the “Escrow Agent”) and in its capacity as paying agent for the Refunded Bonds and the Series 2017B Bonds (each as herein defined),

### WITNESSETH:

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

### ARTICLE I

#### DEFINITIONS

*Section 1.1.* The following words and terms used in this Escrow Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

“*Bond Resolution*” means Resolution No. \_\_\_\_ of 2017, adopted on August 8, 2017, by the City Council of the City authorizing the issuance of the Series 2017B Bonds for the purpose of refunding a portion of the Series 2010A Bonds on a crossover basis, and related matters.

“*City*” means Salt Lake City, Utah, a municipal corporation and a political subdivision of the State of Utah.

“*Crossover Refunding Date*” means June 15, 2020, which is the date on which the proceeds of the Escrowed Securities shall be applied to the payment in full of the Refunded Bonds if the Refunded Bonds have not been redeemed earlier.

“*Direct Obligations*” means direct noncallable obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America and evidences of ownership interests in such direct or unconditionally guaranteed obligations.

“*Escrow Account*” means the irrevocable trust account established under this Agreement by the deposit of the Escrowed Securities.

“*Escrow Agreement*” means this Escrow Agreement between the City and the Escrow Agent.

“*Escrow Agent*” means U.S. Bank National Association or its successor.

“*Escrowed Securities*” means non-callable direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which have been acquired by the Escrow Agent.

“*Extraordinary Event*” means an Extraordinary Event as such term is defined in the Official Statement for the Series 2010A Bonds.

“*Moody’s*” means Moody’s Investors Service, its successors and assigns.

“*Refunded Bonds*” means that portion of the City’s General Obligation Bonds, Series 2010A, originally issued in the aggregate principal amount of \$25,000,000, dated as of April 29, 2010, and maturing on June 15 of each of the years and bearing interest at the rates per annum as follows:

AMOUNT	INTEREST RATE	YEAR
\$1,250,000	4.56%	2021
1,285,000	4.76	2022
1,325,000	4.86	2023
1,370,000	4.96	2024
1,410,000	5.05	2025
1,460,000	5.12	2026
1,510,000	5.22	2027
1,560,000	5.32	2028
1,610,000	5.42	2029
1,670,000	5.52	2030

“*Resolutions*” means the the Series 2010A Resolution and the Series 2017B Resolution, collectively.

“*Series 2010A Paying Agent*” means U.S. Bank National Association in its capacity as paying agent under the Series 2010A Resolution.

“*Series 2010A Resolution*” means that certain resolution of the City Council of the City, adopted on April 20, 2010, relating to the Series 2010A Bonds.

“*Series 2017B Bond Fund*” means the Bond Account created under Section 212 of the Bond Resolution.

“*Series 2017B Bonds*” means the \$\_\_\_\_\_ aggregate principal amount of the City’s General Obligation Refunding Bonds, Series 2017B, authorized to be issued by the Bond Resolution.

“*Series 2017B Paying Agent*” means U.S. Bank National Association in its capacity as Paying Agent under the Bond Resolution.

## **ARTICLE II**

### **RECITALS**

*Section 2.1.* This Agreement is executed by the undersigned officers of the City pursuant to authority contained in the Bond Resolution. This Agreement is irrevocable and is not subject to amendment except as otherwise expressly provided in Article VI hereof.

*Section 2.2.* On August 8, 2017, the City Council of the City adopted the Bond Resolution authorizing, among other things, the issuance of the Series 2017B Bonds for the purpose of refunding the Refunded Bonds. A certified copy of the Bond Resolution has been heretofore delivered to the Escrow Agent by the City. The Series 2017B Bonds have been sold and it is contemplated that they will be delivered to the purchasers thereof on or about October 4, 2017.

*Section 2.3.* The Refunded Bonds are payable at the corporate trust office designated by the Series 2010A Paying Agent in accordance with the Series 2010A Resolution.

## **ARTICLE III**

### **CREATION OF ESCROW**

*Section 3.1.* By the Bond Resolution, the City has authorized the issuance and delivery of the Series 2017B Bonds, \$\_\_\_\_\_ of the proceeds of which are to be used to refund on the Crossover Refunding Date (except as otherwise provided in Section 4.1(b) hereof), in whole or in part, the Refunded Bonds. Upon the issuance of the Series 2017B Bonds, the amounts deposited hereunder will be initially invested in the Escrowed Securities, which shall be delivered to and held by the Escrow Agent in the Escrow Account hereunder on behalf of the City for the benefit of the Series 2017B Paying Agent and the holders of the Series 2017B Bonds until the Crossover Refunding Date and thereafter to the benefit of the Series 2010A Paying Agent and the owners of the Refunded Bonds. The escrow created hereby shall be irrevocable. The owners of the Series 2017B Bonds until the Crossover Refunding Date (or such earlier date that the Refunded Bonds are refunded in accordance with Section 4.1(b) hereof) and thereafter the owners of the Refunded Bonds are hereby given an express lien on and security interest in the Escrowed Securities and in the earnings thereon and the cash, if any, in the Escrow Account until used and applied in accordance with this Escrow Agreement.

## **ARTICLE IV**

### **COVENANTS OF ESCROW AGENT**

*Section 4.1.* The Escrow Agent covenants and agrees, as follows:

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



of and earnings on the Escrowed Securities and any other investments and cash in the Escrow Account shall be applied as described in the succeeding paragraph.

(b) Except as described in the next succeeding paragraph, prior to the Crossover Refunding Date, the Escrow Agent shall promptly collect all interest from the Escrowed Securities and transfer, on or before June 15 and December 15 of each year, commencing \_\_\_\_\_ 15, 201\_, to the Series 2017B Paying Agent for deposit in the Series 2017B Bond Fund such amount as shall be necessary for the payment of the semiannual interest on the Series 2017B Bonds accruing prior to the Crossover Refunding Date as the same becomes due. On or immediately prior to the Crossover Refunding Date, the Escrow Agent will promptly collect all principal, interest or profit from the Escrowed Securities and apply all moneys held hereunder first, to pay the principal of and redemption premium, if any, on the Refunded Bonds on the refunding thereof and then to use any remaining amounts for the payment of interest on the Series 2017B Bonds that accrued prior to the Crossover Refunding Date.

Upon the notification of an Extraordinary Event, the Escrow Agent will, pursuant to instructions from the City, timely redeem all or a portion of the Escrowed Securities and apply the amounts received from such redemption and other cash in the Escrow Account to redeem all or a portion of the Refunded Bonds prior to the Crossover Refunding Date. In addition, the Escrow Agent will give notice of redemption of all or a portion of the Refunded Bonds pursuant to Section 4.1(g) hereof to provide for redemption of all or a portion of the Refunded Bonds subject to an Extraordinary Event on a date before the Crossover Refunding Date as instructed by the City. The Escrow Agent will accept additional amounts from the City as may be necessary to redeem the Refunded Bonds subject to an Extraordinary Event prior to the Crossover Refunding Date. Any amounts not necessary to redeem Refunded Bonds subject to an Extraordinary Event prior to the Crossover Refunding Date or to redeem other Refunded Bonds, if any, on the Crossover Refunding Date that were not subject to an Extraordinary Event or to pay interest accruing on the Series 2017B Bonds prior to the Crossover Refunding Date as directed by the City will be returned to the City pursuant to Section 8.1 hereof. Upon notification of an Extraordinary Event, the Escrow Agent will not pay any interest on the Series 2017B Bonds accruing after the date of any redemption of any Refunded Bonds prior to the Crossover Refunding Date without instructions from the City.

(c) The Escrow Agent may invest and reinvest any amounts held in the Escrow Account under this Agreement, other than amounts invested in the Escrowed Securities, in Direct Obligations. All amounts so invested and reinvested shall be accumulated and disbursed in the same manner as herein provided for other funds held by the Escrow Agent, only at the written direction of the City, and only upon delivery to the Escrow Agent of (i) a verification report of an independent accountant or verification agent to the effect that, after such reinvestment, the funds and securities in the Escrow Account shall remain sufficient to make the payments of principal and interest and premium, if any, on the Refunded Bonds as they become due and payable and (ii) an opinion of bond counsel to the effect that, after such reinvestment, the interest on the Refunded Bonds shall not be includible in the gross income of the holders of the Refunded Bonds for federal tax purposes.

(d) The Escrow Agent will remit to the Series 2017B Paying Agent or the Series 2010A Paying Agent, as applicable, in good funds on or before the Crossover Refunding Date and each interest payment date, or prior redemption date of the Refunded Bonds or the Series 2017B Bonds, as applicable, moneys sufficient to pay such principal and interest as will meet the requirements for the retirement payment of such bonds in accordance with paragraph (b) above, as applicable, and such remittances shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

(e) Subject to the provisions of paragraph (j) below, all fees of the Escrow Agent having been paid on the Closing Date from the Series 2017B Bonds, no fees of the Escrow Agent, the Series 2010A Paying Agent or the Series 2017B Paying Agent, or any other charges, may be paid from the Escrowed Securities or any other moneys or investments held under this Escrow Agreement prior to the termination hereof, and neither the Escrow Agent, the Series 2010A Paying Agent nor the Series 2017B Paying Agent will have any lien on or with respect to the Escrowed Securities or any other moneys or investments held under this Escrow Agreement.

(f) The Escrow Agent shall, in its capacity as Series 2010A Paying Agent cause to be given notice of redemption of the Refunded Bonds to be redeemed in accordance with the provisions hereof and of the Series 2010A Resolution. The notice of redemption shall specify the redemption price with respect to the Refunded Bonds called for redemption and the date for the redemption of such Refunded Bonds, which shall be the Crossover Refunding Date or earlier as provided in Section 4.1(b) hereof.

(g) Notice of redemption shall be given by the Escrow Agent, in its capacity as the Refunded Series 2010A Paying Agent by sending a copy of the notice of such redemption by registered or certified mail, postage prepaid, not less than 30 nor more than 45 days prior to the Crossover Refunding Date, or earlier as provided in Section 4.1(b) hereof, to the registered owners of the Refunded Bonds at the address of each such owner as it appears on the bond registration books of the Escrow Agent, as Registrar for the Refunded Bonds. A second notice of redemption shall be given by the Escrow Agent, in its capacity as the Series 2010A Paying Agent not later than 90 days subsequent to the Crossover Refunding Date, or earlier as provided in Section 4.1(b) hereof, to the registered owners of Refunded Bonds, or portions thereof, redeemed but who failed to deliver Refunded Bond certificates for redemption prior to the 60th day following the Crossover Refunding Date or earlier as provided in Section 4.1(b) hereof.

(h) The notice of redemption shall be in substantially the following form:

**NOTICE OF REDEMPTION**

**SALT LAKE CITY, UTAH**

**GENERAL OBLIGATION BONDS  
SERIES 2010A**

**MATURING ON AND AFTER JUNE 15, 2021**

**CUSIP Nos. \_\_\_\_\_\***

Notice is hereby given that pursuant to that certain resolution, adopted on April 20, 2010, by the City Council of Salt Lake City, Utah (the “City”), the City has called and does hereby call for redemption on June 15, 2020 (the “*date fixed for redemption*”) all (being \$14,450,000 aggregate principal amount) of its General Obligation Bonds, Series 2010A (the “*Bonds*”), maturing on June 15 of each of the years 2021 through 2030, inclusive, at the redemption price of 100% of the principal amount thereof, plus accrued interest on the Bonds to the date fixed for redemption.

The principal amount of each Bond, together with the redemption premium thereon, shall be paid on or after the date fixed for redemption upon surrender of such Bond to the Paying Agent, at the following address:

U.S. Bank National Association

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

Payment of interest on each Bond shall be made to the registered owner thereof and shall be paid by check or draft mailed to such registered owner at such owner’s address as it appears in the registration books of the City maintained by U.S. Bank National Association, as paying agent (the “*Paying Agent*”).

Notice is further given that funds necessary to pay the redemption price for each such Bond will be available at the place of payment on the date fixed for redemption, and interest on each such Bond shall cease to accrue from and after such date fixed for redemption (June 15, 2020) and that on the date fixed for redemption there will become due and payable on each of such Bonds the redemption price therefor and interest accrued on each such Bond to the date fixed for redemption.

Under the Interest and Dividend Tax Compliance Act of 1983, the Trustee may be required to withhold a \_\_\_\_% tax from remittances to individuals who have failed to furnish the paying agent with a valid Taxpayer Identification Number. Holders of the above-described Bonds who

\_\_\_\_\_  
\* These CUSIP numbers have been assigned to this issue by an organization not affiliated with their Paying Agent and are included solely for the convenience of the security holders. Neither the City nor the Paying Agent shall be responsible for the selection or use of the CUSIP numbers, nor is any representation made as to the correctness on the Bonds or as indicated in this redemption notice. Reliance may be placed only on the other identification number printed on the Bonds.

wish to avoid the imposition of this tax should submit certified Taxpayer Identification Numbers when presenting their Bonds for collection.

Given by order of Salt Lake City, Utah this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

SALT LAKE CITY, UTAH

by U.S. NATIONAL ASSOCIATION,  
as Paying Agent

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

(i) The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful misconduct, and shall be under no obligation to institute any suit, action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder. The Escrow Agent shall not be deemed to have failed to take any such action, unless and until it shall have been indemnified by the City to the Escrow Agent's satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

(j) The Escrow Agent will submit to the City a statement within ten (10) days after the Crossover Refunding Date, or earlier as provided in Section 4.1(b) hereof, itemizing all moneys received by it and all payments made by it under the provisions of this Escrow Agreement, and also listing all remaining moneys held by the Escrow Agent.

(k) The City has provided to the Escrow Agent a copy of the report of \_\_\_\_\_, dated \_\_\_\_\_, 2017 (the "Report"), relating to the funds to be used to accomplish the refunding of the Refunded Bonds, the investment of such funds in the Escrowed Securities and the adequacy of such funds and investment to provide for the payment of the debt service on the Refunded Bonds and the Series 2017B Bonds as therein set forth. The City hereby specifically authorizes the Escrow Agent to rely on the Report. If at any time it shall appear to the Escrow Agent that the available proceeds of the Escrowed Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due under this Escrow Agreement to the owners of any of the Refunded Bonds or the Series 2017B Bonds, as applicable, the Escrow Agent shall notify the City not less than five (5) days prior to such date.

(l) The liability of the Escrow Agent to transfer funds for the payment of the principal of the Refunded Bonds or interest on the Series 2017B Bonds shall be limited to the amounts from time to time on deposit in the Escrow Account. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds

from time to time in the Escrow Account or any failure of any obligor with respect to any Escrowed Securities, except for the obligation to notify the City promptly of any such occurrence.

(m) The recitals herein and in the proceedings authorizing the Series 2017B Bonds shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

(n) The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Account, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

(o) It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

(p) The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement and the Escrow Agent shall not be answerable except for its own negligence or willful misconduct; nor for any loss unless the same shall have been through its negligence or willful misconduct.

(q) Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Account and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time. The Escrow Agent may consult with counsel, who may be counsel of or to the City, with regard to legal questions, and the opinion of such counsel, if such counsel is acceptable to the City, shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance herewith.

(r) The City covenants and agrees to pay to the Escrow Agent from time to time, and the Escrow Agent shall be entitled to, the fees and expenses agreed in writing between the City and the Escrow Agent, and will further pay or reimburse the Escrow Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Escrow Agent in accordance with any of the provisions hereof or any other documents executed in connection herewith (including the reasonable compensation and the reasonable expenses and disbursements

of its counsel and of all persons not regularly in its employ). The obligations of the City under this Section 4.1 to compensate the Escrow Agent and to pay or reimburse the Escrow Agent for reasonable expenses, disbursements and advances shall survive the satisfaction and discharge of this Agreement or the earlier resignation or removal of the Escrow Agent.

(s) The Escrow Agent may at any time resign by giving 30 days written notice of resignation to the City. Upon receiving such notice of resignation, the City shall promptly appoint a successor and, upon the acceptance by the successor of such appointment, release the resigning Escrow Agent from its obligations hereunder by written instrument, a copy of which instrument shall be delivered to each of the City, the resigning Escrow Agent and the successor. If no successor shall have been so appointed and have accepted appointment within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor.

(t) Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

## ARTICLE V

### COVENANTS OF THE CITY

*Section 5.1.* The City covenants and agrees, as follows:

(a) The Escrow Agent (when acting in such capacity) shall have no responsibility or liability whatsoever for (i) any of the recitals of the City herein, (ii) the performance of or compliance with any covenant, condition, term or provision of the Bond Resolution or the Series 2010A Resolution; (iii) any undertaking or statement of the City hereunder or under the Bond Resolution or the Series 2010A Resolution; and (iv) the accuracy of the Report.

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

(c) If necessary, the City will transfer cash sufficient to timely redeem Refunded Bonds subject to an Extraordinary Event as set forth in Section 4.1(b) hereof.

## ARTICLE VI

### AMENDMENTS; IRREVOCABILITY OF AGREEMENT

*Section 6.1.* This Agreement may be amended or supplemented for any one or more of the following purposes: (a) to make provision for the curing of any ambiguity, or of curing or correcting any defective provision contained in this Agreement, or of severing any provision of this Agreement that has been determined to be illegal by a court of competent jurisdiction, and (b) to add to the covenants and agreements of the City or the Escrow Agent contained in this Agreement, other covenants and agreements thereafter to be observed by the City or the Escrow Agent or to make any other provision for the purpose of protecting the rights of the owners of the Refunded Bonds or the Series 2017B Bonds (any such amendment or supplement to be referred to as a “*Subsequent Action*”), upon submission to the Escrow Agent of a certified copy of proceedings of the City Council of the City authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by a duly designated officer of the City. The Escrow Agent shall be entitled to receive and rely on an opinion of counsel to the effect that such amendment or supplement is authorized or permitted hereunder, does not materially adversely affect the rights of the holders of the Refunded Bonds, and complies with the terms herewith.

*Section 6.2.* Except as provided in Section 6.1 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable, shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

*Section 6.3.* Except as provided in Section 6.1 hereof, all of the rights, powers, duties and obligations of the City hereunder shall be irrevocable, shall not be subject to amendment by the City and shall be binding on any successor to the City during the term of this Agreement.

*Section 6.4.* If any one or more of the covenants or agreements provided in this Escrow Agreement on the part of the City, the Escrow Agent, the Series 2010A Paying Agent or the Series 2017B Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

## ARTICLE VII

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

*Section 7.1.* All notices and communications to the City shall be in writing and addressed to: Salt Lake City, 451 South State Street, Room 415, Salt Lake City, Utah 84111, Attention: City Recorder, or such other address as may be directed by the City from time to time by written instruction.

*Section 7.2.* All notices and communications to the City Treasurer shall be addressed in writing to: City Treasurer, 451 State Street, Room 228, Salt Lake City, Utah 84111, or such other address as may be directed by the City from time to time by written instruction.

*Section 7.3* All notices and communications to the Escrow Agent shall be in writing and addressed to: U.S. Bank National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, Attention: Corporate Trust Services, or such other address as may be directed by the Escrow Agent from time to time by written instruction.

## **ARTICLE VIII**

### **TERMINATION OF AGREEMENT**

*Section 8.1.* Upon final disbursement of funds sufficient to pay principal of the Refunded Bonds and interest on the Series 2017B Bonds as hereinabove provided for, the Escrow Agent shall transfer any balance remaining in the Escrow Account to the City for deposit in the Series 2017B Bond Fund, and thereupon this Agreement shall terminate.

## **ARTICLE IX**

### **PAYING AGENTS**

*Section 9.1.* The Series 2010A Paying Agent, by its execution and delivery of this Escrow Agreement acknowledges and agrees that prior to the Crossover Refunding Date, neither it nor the holders of the Refunded Bonds have any right, title or interest, or any security interest in or lien on, the Escrowed Securities or the investment earnings thereon or any cash held in the Escrow Account.

*Section 9.2.* The parties hereto further acknowledge and agree that the Series 2017B Paying Agent and the holders of the Series 2017B Bonds are intended prior to the Crossover Refunding Date to be third party beneficiaries of the Escrow Account and the security interest created in the Escrowed Securities in favor of the Escrow Agent for their benefit hereunder. In such regard, the Series 2017B Paying Agent shall have the right to request that the Escrow Agent, upon the occurrence and continuance of a default under the Bond Resolution, exercise any rights or remedies it may have as a secured party with respect to the Escrowed Securities or other amounts held in the Escrow Account.

## **ARTICLE X**

### **MISCELLANEOUS**

*Section 10.1.* The Series 2010A Paying Agent, by its execution and delivery of this Escrow Agreement acknowledges and agrees that prior to the Crossover Refunding Date, neither it nor the holders of the Refunded Bonds have any right, title or interest, or any security interest in or lien on, the Escrowed Securities or the investment earnings thereon or any cash held in the Escrow Account.



*Section 10.2.* This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 10.3.* **The Escrow Agent represents that it has not: (a) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (c) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.**

*(Signature page follows.)*

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

SALT LAKE CITY, UTAH

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

ATTEST AND COUNTERSIGN:

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

[SEAL]

U.S. BANK NATIONAL ASSOCIATION, in its  
capacity as Escrow Agent

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

U.S. BANK NATIONAL ASSOCIATION, in its  
capacity as Series 2010A Paying Agent

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

U.S. BANK NATIONAL ASSOCIATION, in its  
capacity as Series 2017B Paying Agent

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

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2017****NEW ISSUE — Issued in Book-Entry Form Only****RATINGS: Moody's "\_\_\_\_"  
Fitch "\_\_\_\_"  
See "BOND RATINGS" herein.**

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

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

**SALT LAKE CITY, UTAH  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2017B**

**DATED: Date of Original Issuance and Delivery****DUE: June 15, as shown below**

The \$ \_\_\_\_\_ General Obligations Refunding Bonds, Series 2017B (the "*Bonds*"), dated the date of original issuance and delivery thereof, are issuable by Salt Lake City, Utah (the "*City*") as fully-registered bonds and, when initially issued, will be in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("*DTC*"). *DTC* will act as securities depository for the Bonds.

Principal of and interest on the Bonds (interest payable June 15 and December 15 of each year, commencing \_\_\_\_\_ 15, 201\_) are payable by U.S. Bank National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially *DTC*. See "*THE BONDS — Book-Entry System*" herein.

[The Bonds are subject to optional redemption prior to maturity as described more fully under the heading "*THE BONDS — Redemption Provisions*" herein.] [The Bonds are not subject to redemption prior to maturity.]

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

**Maturity Schedule  
(see inside cover)**

The Bonds are offered when, as and if issued and received by [the Underwriter], subject to the approval of legality by Chapman and Cutler LLP, Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed upon for the City by Margaret D. Plane, City Attorney. Certain legal matters regarding this Official Statement will be passed upon for the City by Chapman and Cutler LLP, Disclosure Counsel. It is expected that the Bonds will be available for delivery, in book-entry form only, through the facilities of *DTC* on or about \_\_\_\_\_, 2017.

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

This Official Statement is dated \_\_\_\_\_, 2017, and the information contained herein speaks only as of that date.

**[Underwriter]**

\* Preliminary; subject to change.

**MATURITY SCHEDULE**

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

**SALT LAKE CITY, UTAH  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2017B**

<b>DUE JUNE 15</b>	<b>PRINCIPAL AMOUNT</b>	<b>INTEREST RATE</b>	<b>YIELD</b>	<b>CUSIP</b>
	\$	%	%	

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\* Preliminary; subject to change.

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

**SALT LAKE CITY, UTAH**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2017B**

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

**CITY COUNCIL**

Stan Penfold.....Council Chair  
Charlie Luke..... Council Vice Chair  
Lisa Ramsey Adams ..... Council Member  
Andrew Johnston ..... Council Member  
Derek Kitchen ..... Council Member  
Erin J. Robinson Mendenhall..... Council Member  
James Rogers ..... Council Member

**CITY ADMINISTRATION**

Jacqueline M. Biskupski .....Mayor  
Patrick Leary..... Chief of Staff  
Margaret D. Plane ..... City Attorney  
Cindi Mansell.....City Recorder  
Marina Scott..... City Treasurer

**BOND COUNSEL**

Chapman and Cutler LLP  
215 South State, Suite 800  
Salt Lake City, Utah 84111  
(801) 533-0066

**INDEPENDENT AUDITORS**

Eide Bailly LLP  
5 Triad Center, Suite 600  
Salt Lake City, Utah 84180  
(801) 532-2200

**FINANCIAL ADVISOR**

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

**BOND REGISTRAR AND PAYING AGENT**

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

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\* Preliminary; subject to change.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by either the City or the Underwriter. All information contained herein has been obtained from the City, DTC and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor the issuance, sale, delivery or exchange of the Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the City or in any other information contained herein since the date hereof.

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

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

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

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

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

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**SALT LAKE CITY, UTAH**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**SERIES 2017B**

**INTRODUCTION**

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

See the following appendices that are attached hereto: “APPENDIX A — SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016;” “APPENDIX B — FORM OF CONTINUING DISCLOSURE AGREEMENT” and “APPENDIX C — PROPOSED FORM OF OPINION OF BOND COUNSEL.”

THE BONDS

This Official Statement, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the City of its \$ \_\_\_\_\_\* General Obligation Refunding Bonds, Series 2017B (the “Bonds”), each dated the date of original issuance and delivery thereof, initially issued in book-entry form only.

THE CITY

The City is a municipal corporation and political subdivision of the State of Utah (the “State”) and is the capital of the State. The City is the most populous city in the State with an estimated 2016 population of approximately 193,744 residents. The City has a council-mayor form of government. For more information with respect to the City see “SALT LAKE CITY, UTAH.”

SECURITY AND SOURCE OF PAYMENT

The Bonds will be general obligations of the City, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the City, fully sufficient to pay the Bonds as to both principal and interest. *Except in the case of an Extraordinary Escrow Event (defined below), on and prior to June 15, 2020 (the “Crossover Refunding Date”) payment of the interest on the Bonds will be paid from and additionally secured by funds held in the Escrow Account (defined below). Moneys remaining in the Escrow Account on the Crossover Refunding Date or on such earlier date as is required by an Extraordinary Escrow Event shall be used to redeem certain Series 2010A Bonds (defined below) in advance of their scheduled maturities. In the event of an Extraordinary Escrow Event prior to the Crossover Refunding Date, interest accruing on the Bonds prior to the Crossover Refunding Date will no*

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\* Preliminary; subject to change.

*longer be paid from the Escrow Account, but will be payable solely from the proceeds of ad valorem taxes. See “PLAN OF REFUNDING”, “THE BONDS — Security and Sources of Payment” and “FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Tax Levy and Collection.”*

#### AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to (a) the Utah Refunding Bond Act, Chapter 27 of Title 11 (the “*Utah Refunding Bond Act*”) of the Utah Code Annotated 1953, as amended (the “*Utah Code*”), and the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code (collectively referred to herein as the “*Act*”), (b) a resolution of the City adopted August 8, 2017 (the “*Resolution*”) and (c) other applicable provisions of law.

#### REDEMPTION PROVISIONS

[The Bonds are subject to optional redemption prior to maturity as described more fully under the heading “THE BONDS — Redemption Provisions” herein.] [The Bonds are not subject to redemption prior to maturity.]

#### REGISTRATION, DENOMINATIONS AND MANNER OF PAYMENT

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

Principal of and interest on the Bonds (interest payable June 15 and December 15 of each year, commencing \_\_\_\_\_ 15, 201\_) are payable by U.S. Bank National Association, Salt Lake City, Utah, as Paying Agent (the “*Paying Agent*”), to the registered owners of the Bonds. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Bonds, as described in “THE BONDS — Book-Entry System.”

#### TAX STATUS

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations.

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See “TAX TREATMENT” for a more complete discussion.

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

The Bonds are offered when, as and if issued and received by [\_\_\_\_\_ (the “Underwriter”), subject to the approval of legality of the Bonds by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney. Certain legal matters regarding this Official Statement will be passed upon for the City by Chapman and Cutler LLP, Disclosure Counsel. It is expected that the Bonds, in book-entry form only, will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, \_\_\_\_\_, 2017.

BASIC DOCUMENTATION

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

CONTACT PERSONS

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

Marina Scott, City Treasurer  
451 South State Street, Room 228  
P.O. Box 145462  
Salt Lake City, Utah 84114-5462  
Telephone: (801) 535-6565; (801) 535-6082 (Fax)  
e-mail: marina.scott@slcgov.com

**PLAN OF REFUNDING**

The City has previously issued, among others, its \$25,000,000 General Obligation Bonds, Series 2010A, dated April 29, 2010, currently outstanding in the aggregate principal amount of \$[19,155,000] (the “Series 2010A Bonds”)

Proceeds from the Bonds, in the aggregate amount of \$\_\_\_\_\_, will be deposited with U.S. Bank National Association, Salt Lake City, Utah, as escrow agent (the “Escrow Agent”), pursuant to an Escrow Agreement, dated as of October 1, 2017 (the “Escrow Agreement”) to establish an irrevocable trust escrow account (the “Escrow Account”), consisting of cash and noncallable direct full faith and credit obligations of the United States of America.

Amounts in the Escrow Account shall be used to:

- (i) pay interest due on the Bonds from \_\_\_\_\_ 15, 201\_ through and including June 15, 2020.

(ii) redeem the Series 2010A Bonds maturing on and after June 15, 2021 (the “*Refunded Bonds*”) at a redemption price of 100% of the principal amount thereof on the Crossover Refunding Date. The Refunded Bonds mature on the dates and in the amounts, and bear interest at the rates, as follows:

SCHEDULED MATURITY (JUNE 15)	REDEMPTION/ CROSSOVER DATE	CUSIP® 795574	PRINCIPAL AMOUNT	INTEREST RATE	REDEMPTION PRICE
2021	June 15, 2020	RY0	\$1,250,000	4.56%	100%
2022	June 15, 2020	RZ7	1,285,000	4.76	100
2023	June 15, 2020	SA1	1,325,000	4.86	100
2024	June 15, 2020	SB9	1,370,000	4.96	100
2025	June 15, 2020	SC7	1,410,000	5.05	100
2026	June 15, 2020	SD5	1,460,000	5.12	100
2027	June 15, 2020	SE3	1,510,000	5.22	100
2028	June 15, 2020	SF0	1,560,000	5.32	100
2029	June 15, 2020	SG8	1,610,000	5.42	100
2030	June 15, 2020	SH6	1,670,000	5.52	100

The cash and investments held in the Escrow Account will be sufficient to pay (i) interest due on the Bonds from \_\_\_\_\_ 15, 201\_ through and including June 15, 2020 and (ii) the redemption price of the Refunded Bonds, due and payable on the Crossover Refunding Date.

*On and prior to the earlier of the Crossover Refunding Date or such date as is required due to an Extraordinary Escrow Event, the Series 2010A Bonds will remain general obligations of the City payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the Series 2010A Bonds as to both principal and interest.*

Certain mathematical computations regarding the sufficiency of and the yield on the investments held in the Escrow Account will be verified by Causey Demgen & Moore, P.C. Denver, Colorado. See “MISCELLANEOUS—Escrow Verification” below.

THE ESCROW AGREEMENT

Investment and Application of Bond Proceeds. Pending their use for the refunding of the Refunded Bonds on the Crossover Refunding Date or pursuant to an Extraordinary Escrow Event, the proceeds of the Bonds will be initially invested in cash and noncallable direct full faith and credit obligations of the United States of America (the “*Escrowed Securities*”) which shall be delivered to and held by the Escrow Agent in the Escrow Account under the Escrow Agreement on behalf of the City for the benefit of the holders of the Bonds. Under the Escrow Agreement, the owners of the Bonds are given an express lien on and security interest in the Escrowed Securities and in the earnings thereon and the cash, if any, in the Escrow Account until used and applied in accordance with the Escrow Agreement.

The Escrow Agent will hold the Escrowed Securities and all interest income or profit derived therefrom in the Escrow Account, an irrevocable, segregated and separate trust fund account, solely and exclusively for the purposes for which escrowed. The matured principal of and earnings on the Escrowed Securities and any cash in the Escrow Account are pledged and assigned under the Escrow Agreement and, except in the case of an Extraordinary Escrow Event, shall be applied solely for the payment of interest on the Bonds prior to and on the Crossover Refunding Date and principal of and redemption premium on the Refunded Bonds due on the Crossover Refunding Date pursuant to call for redemption as provided in the Escrow Agreement, and after such application to the payment of interest on the Bonds.

Except as described in the next succeeding paragraph, prior to the Crossover Refunding Date, the Escrow Agent shall promptly collect all interest from the Escrowed Securities and transfer, on or before June 15 and December 15 of each year, commencing \_\_\_\_\_ 15, 201\_, to the Paying Agent for deposit in the Bond Account for the Bonds (the "*Bond Account*") such amount as shall be necessary for the payment of the semiannual interest on the Bonds as the same becomes due. If necessary, the Escrow Agent will invest and reinvest amounts held in the Escrow Account under the Escrow Agreement in Direct Obligations (as defined in the Escrow Agreement). All amounts so invested and reinvested shall be accumulated and disbursed in the same manner as provided in the Escrow Agreement for other funds held by the Escrow Agent. On or immediately prior to the Crossover Refunding Date, the Escrow Agent will promptly collect all principal, interest or profit from the Escrowed Securities and apply the same first, to pay the principal of and premium, if any, on the Refunded Bonds and interest on the Bonds to the Crossover Date and then to use any remaining amounts for the payment of interest on the Bonds.

Upon the notification of an Extraordinary Event (as defined herein), the Escrow Agent will, pursuant to instructions from the City, timely redeem all or a portion of the Escrowed Securities and apply the amounts received from such redemption and other cash in the Escrow Account to redeem all or a portion of the Refunded Bonds prior to the Crossover Refunding Date (an "Extraordinary Escrow Event"). In addition, the Escrow Agent will give notice of redemption of all or a portion of the Refunded Bonds pursuant to the Escrow Agreement to provide for redemption of all or a portion of the Refunded Bonds subject to an Extraordinary Escrow Event as instructed by the City. The Escrow Agent will accept additional amounts from the City as may be necessary to redeem the Refunded Bonds subject to an Extraordinary Escrow Event. Any amounts not necessary to redeem Refunded Bonds subject to an Extraordinary Escrow Event or to redeem other Refunded Bonds, if any, on the Crossover Refunding Date that were not subject to an Extraordinary Event or to pay interest accruing on the Bonds prior to the Crossover Refunding Date as directed by the City will be returned to the City. Upon notification of an Extraordinary Event, the Escrow Agent will not pay from the Escrow Account any interest on the Bonds accruing after the date the Refunded Bonds are redeemed pursuant to an Extraordinary Escrow Event without instructions from the City. The Bonds are general obligations of the City and to the extent that interest on the Bonds is not paid from the Escrow Account, it is payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City.

An "Extraordinary Event" will have occurred if a material adverse change has occurred to Section 54AA or 6431 of the Internal Revenue Code of 1986, as amended (the "*Code*") (as such

Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009 pertaining to “Build America Bonds”) pursuant to which the City’s 35% subsidy payment from the United States Treasury is reduced or eliminated.

***Although the City cannot determine the likelihood of an Extraordinary Event occurring prior to the [Crossover Refunding Date], adjustments to the 35% subsidy payment on Build America Bonds have been made periodically without requiring any change to Sections 54AA or 6431 of the Code.***

The Escrow Agent will remit to the Paying Agent or paying agents for the Refunded Bonds, as applicable, in good funds on or before each interest payment date, maturity date or prior redemption date of the Refunded Bonds or the Bonds, as applicable, moneys sufficient to pay such principal and interest as will meet the requirements for the retirement of such bonds, and such remittances will fully release and discharge the Escrow Agent from any further duty or obligation under the Escrow Agreement.

*Notice of Crossover Refunding Date.* The Escrow Agent will, in its capacity as paying agent for the Refunded Bonds, cause to be mailed notices of redemption of the Refunded Bonds to be redeemed on the Crossover Refunding Date or such earlier date as is required due to an Extraordinary Escrow Event. The notice of redemption will specify the redemption price with respect to the Refunded Bonds called for redemption and the date for the redemption of such Refunded Bonds.

Notice of redemption will be given by the Escrow Agent, in its capacity as the paying agent for the Refunded Bonds, by sending a copy of the notice of such redemption by registered or certified mail, postage prepaid, not less than 30 nor more than 45 days prior to the date of redemption of the Refunded Bonds, to the registered owners of such Refunded Bonds at the address of each such owner as it appears on the bond registration books of the Escrow Agent, as bond registrar for the Refunded Bonds. A second notice of redemption shall be given by the Escrow Agent, in its capacity as the bond registrar for the Refunded Bonds, not later than 90 days subsequent to the redemption date, to the registered owners of Refunded Bonds, or portions thereof, redeemed but who failed to deliver Refunded Bond certificates for redemption prior to the 60th day following the redemption date.

*Limitations on Escrow Agent’s Liability.* The Escrow Agent has all the powers and duties set forth in the Escrow Agreement with no liability in connection with any act or omission to act thereunder, except for its own negligence or willful breach of trust, and is under no obligation to institute any suit, action or other proceeding under the Escrow Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers thereunder. The Escrow Agent will not be deemed to have failed to take any such action, unless and until it shall have been indemnified by the City to the Escrow Agent’s satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

If at any time it appears to the Escrow Agent that the available proceeds of the escrowed securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the owners of any of the Refunded Bonds or the Bonds, as applicable, the Escrow Agent shall notify the City not less than five days prior to such date.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds or the Bonds is limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Account. Notwithstanding any provision contained in the Escrow Agreement to the contrary, the Escrow Agent has no liability whatsoever for the insufficiency of funds from time to time in the Escrow Account or any failure of any obligor with respect to any Escrowed Securities, except for the obligation to notify the City promptly of any such occurrence.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Account, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby, and the Escrow Agent will not incur any liability or responsibility in respect to any of such matters.

The Escrow Agent is not liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by the Escrow Agreement and the Escrow Agent shall not be answerable except for its own negligence or misconduct; nor for any loss unless the same has been through its negligence or want of good faith.

*Amendments.* The Escrow Agreement may be amended or supplemented for any one or more of the following purposes: (a) to make provision for the curing of any ambiguity, or of curing or correcting any defective provision contained in the Escrow Agreement, or of severing any provision of the Escrow Agreement that has been determined to be illegal by a court of competent jurisdiction, and (b) to add to the covenants and agreements of the City or the Escrow Agent contained in the Escrow Agreement, other covenants and agreements thereafter to be observed by the City or the Escrow Agent or to make any other provision for the purpose of protecting the rights of the owners of the Refunded Bonds or the Bonds (any such amendment or supplement to be referred to as a "Subsequent Action"), upon submission to the Escrow Agent of a certified copy of proceedings of the City Council of the City authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by a duly designated officer of the City).

## **THE BONDS**

### **GENERAL**

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

The Bonds will bear interest from their date at the rates set forth on the cover page of this Official Statement. Interest on the Bonds is payable semiannually on each June 15 and



December 15, commencing \_\_\_\_\_, 201\_. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. U.S. Bank National Association, Salt Lake City, Utah, is the Bond Registrar for the Bonds under the Resolutions (the “*Bond Registrar*”).

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

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

SOURCES AND USES OF FUNDS

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

SOURCES:

Par amount of Bonds	\$
City Funds	
Original issue premium	_____
 TOTAL	 \$_____

USES:

Deposit to Escrow Account	\$
Costs of issuance <sup>(1)</sup>	_____
 TOTAL	 \$_____

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

SECURITY AND SOURCES OF PAYMENT

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

[REDEMPTION PROVISIONS]

[*Optional Redemption.* The Bonds maturing on or after June 15, 20\_\_, are subject to redemption prior to maturity, at the election of the City, on \_\_\_\_\_ 15, 20\_\_ (the “*First Redemption Date*”), and on any date thereafter, in whole or in part, from such maturities or parts thereof as will be selected by the City, upon notice given as provided in the Resolution and

described below, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

*Selection for Redemption.* If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such Bond by \$5,000.

*Notice of Redemption.* Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the owner thereof, as of the Record Date, as defined in “THE BONDS — Registration and Transfer,” of each Bond that is subject to redemption, at the address of such owner as it appears in the registration books of the City kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and will also state that the interest on the Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date. Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed and that if such moneys have not been so received said notice will be of no force and effect and the City will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Bond Registrar will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any Bond will not affect the validity of the proceedings for redemption with respect to any other Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar to certain registered national securities depositories and national information services as provided in the Bond Resolution, but no defect in such further notice or any failure to give all or any portion of such further notice will in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above and in the Bond Resolution.

*For so long as a book-entry system is in effect with respect to the Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice*

*to any DTC participants or any failure of the DTC participants or indirect participants to convey such notice to any beneficial owner will not affect the sufficiency of the notice or the validity of the redemption of the Bonds. See “THE BONDS — Book-Entry System.”]*

[The Bonds are not subject to redemption prior to maturity.]

#### REGISTRATION AND TRANSFER

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

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

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

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

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

#### BOOK-ENTRY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of

Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds

are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an omnibus proxy to the City as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

As long as the book-entry system is in effect, redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

**DEBT SERVICE REQUIREMENTS**

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

FISCAL YEAR ENDING JUNE 30	SERIES 2017B BONDS		FISCAL YEAR TOTAL
	PRINCIPAL	INTEREST	
	\$ _____	\$ _____	\$ _____
<b>TOTAL*:</b>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>

\* Amounts may not add due to rounding.

**SALT LAKE CITY, UTAH**

**CITY OFFICIALS**

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

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

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

<u>OFFICE</u>	<u>DISTRICT</u>	<u>PERSON</u>	<u>YEARS IN SERVICE</u>	<u>EXPIRATION OF CURRENT TERM</u>
Mayor	—	Jacqueline M. Biskupski	1	January 2020
Council Chair	#3	Stan Penfold	7	January 2018
Council Vice Chair	#6	Charlie Luke	5	January 2020
Council Member	#7	Lisa Ramsey Adams	3	January 2018
Council Member	#2	Andrew Johnston	1	January 2020
Council Member	#4	Derek Kitchen	1	January 2020
Council Member	#5	Erin J. Robinson Mendenhall	3	January 2018
Council Member	#1	James Rogers	3	January 2018

#### CITY ADMINISTRATION

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

*Patrick Leary, Chief of Staff*, was appointed to his position on January 4, 2016. Mr. Leary has spent his professional career working in local government administering large organizations such as the Office of the District Attorney, the Salt Lake County Clerk’s Office, as well as serving as Associate Director for the Administrative Services Department and Director of the Public Works Department of Salt Lake County. In January 2013, Mr. Leary was appointed as the first Township Executive for Salt Lake County, responsible for providing municipal services to the 160,000 residents living in the unincorporated areas of the County. In his role as Township Executive, Mr. Leary spearheaded economic revitalization efforts, parks and green-space improvements, enhanced transportation planning, as well as tackling tough problems like health, safety and community development.

*Margaret D. Plane, City Attorney*, was appointed to her position on June 28, 2013. Ms. Plane received her Juris Doctorate 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 the 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 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 to her position 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 2,772 full-time employees and approximately 463 hourly and part-time employees for a total employment of approximately 3,235 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 B – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 – Notes to Financial Statements – Note 6 – Long-Term Obligations,” “– Note 12 – Pension Plans” and “– Note 14 – Deferred Compensation Plans.”

*Retirement Liability.* The City participates with the Utah Retirement System (“*URS*”). URS is funded and administered by the State. Each year, as approved by the State Legislature, URS sets rates, enacts rules, and implements policies related with the pensions and benefits the City retirees receive. Starting in Fiscal Year 15, GASB Statement Number 68 requires URS to pass on pension and retirement liability to public entities it serves, including the City. Working with the City’s independent auditors and State specialists, this liability has been recorded on the City’s financial statements for the Fiscal Year ending June 30, 2016 in the amount of \$155,061.469.

*Other Postemployment Benefits.* As of January 1, 2016, all post-employment benefits were terminated. Post-employment benefits for employees of the City under the age of 65 were terminated on September 1, 2015, and benefits for those over the age of 65 were terminated on January 1, 2016. During fiscal year 2016, net OPEB obligations decreased from \$1,585,738 to \$0. No contributions will be made after January 31, 2016. 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, 2016 – Notes to Financial Statements – Note 13 – Other Post-Employment Benefits.”



## POPULATION

<u>YEAR</u>	<u>THE CITY</u>	<u>% INCREASE FROM PRIOR PERIOD</u>	<u>SALT LAKE COUNTY</u>	<u>% INCREASE FROM PRIOR PERIOD</u>	<u>THE STATE</u>	<u>% INCREASE FROM PRIOR PERIOD</u>
2016 Estimate	193,744	0.56%	1,121,354	2.71%	3,051,217	1.85%
2015 Estimate	192,672	0.94	1,107,314	1.43	2,995,919	1.80
2014 Estimate	190,884	(0.15)	1,091,742	1.01	2,942,902	1.38
2013 Estimate	191,180	0.99	1,080,866	1.60	2,902,787	1.66
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, as revised and subject to periodic revision.)

## PROPERTY VALUE OF PRE-AUTHORIZED CONSTRUCTION IN THE CITY

<u>Year</u>	<u>NEW</u>			<u>ADDITIONS, ALTERATIONS AND REPAIRS</u>		<u>TOTAL CONSTRUCTION</u>	
	<u>Number Dwelling Units</u>	<u>Residential Value (\$000)</u>	<u>Non-residential Value (\$000)</u>	<u>Residential Value (\$000)</u>	<u>Non-residential Value (\$000)</u>	<u>Value (\$000)</u>	<u>% Change from Prior Period</u>
2017*	473	\$ 72,545.4	\$257,578.1	\$12,617.7	\$ 82,948.2	\$ 425,689.4	NA
2016	3,049	377,547.5	331,676.4	38,680.1	734,678.9	1,482,582.9	155.3%
2015	1,343	157,378.5	175,010.4	33,294.6	175,323.8	541,007.3	(4.1)
2014	1,424	130,817.7	202,946.1	42,524.2	187,977.9	564,265.9	343.3
2013	38	5,941.9	88,291.7	10,483.4	6,773.8	111,490.8	(70.0)
2012	183	55,447.0	207,937.40	15,396.3	92,662.5	371,443.2	(13.8)

\* Through April 2017.

(Source: Kem C. Gardner Policy Institute, University of Utah—Ivory-Boyer Construction Database.)

## SALES AND BUILDING IN SALT LAKE COUNTY

<u>SALES AND BUILDING</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Gross Taxable Sales	\$24,257M	\$22,941.0M	\$21,986.1M	\$21,387.8M	\$19,879.6M
Permit Authorized Construction	\$2,060.4M	\$2,029.9M	\$1,595.9M	\$1,589.5M	\$1,560.3M
New Dwelling Units	6,058	6,529	5,153	2,934	2,403
New Residential Value	\$1,029.4M	\$995.2M	\$900.9M	\$634.6M	\$478.2M

(Source: Utah Department of Workforce Services and Kem C. Gardner Policy Institute, University of Utah—Ivory-Boyer Construction Database.)

## INCOME AND WAGES IN SALT LAKE COUNTY

<u>INCOME AND WAGES</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total Personal Income (\$000)	\$49,488,031	\$46,437,317	\$44,606,458	\$43,239,418	\$41,359,623
Per Capita Income	\$44,692	\$42,535	\$41,269	\$40,623	\$39,475
Median Household Income Estimates	\$65,549	\$62,536	\$61,064	\$58,743	\$56,166
Average Monthly Nonfarm Wage	\$4,120	\$3,971	\$3,422	\$3,826	3,703

(Source: Utah Department of Workforce Services.)

## BUSINESS AND INDUSTRY

### TAXABLE SALES AND LOCAL OPTION SALES TAX ALLOCATION — THE CITY

<u>YEAR ENDED</u> <u>JUNE 30</u>	<u>GROSS TAXABLE</u> <u>SALES</u>	<u>% CHANGE OVER</u> <u>PRIOR YEAR</u>	<u>NET LOCAL SALES TAX</u> <u>ALLOCATIONS</u>	<u>% CHANGE OVER</u> <u>PRIOR YEAR</u>
2015	\$ NA	NA%	\$ NA	NA%
2014	6,675,330,504	1.64	48,834,004	1.99
2013	6,567,344,754	7.53	47,883,116	7.22
2012	6,107,403,182	7.20	44,660,082	8.60
2011	5,697,004,471	13.00	41,122,239	4.97

(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.

<u>FIRM NAME</u>	<u>INDUSTRY</u>	<u>APPROXIMATE NUMBER</u> <u>OF EMPLOYEES</u>
University of Utah	Higher Education	15,000-19,999
Intermountain Health Care, Inc.	Health Care	15,000-19,999
State of Utah	State Government	10,000-19,999
Granite School District	Public Education	7,000-9,999
University of Utah Healthcare	Health Care	7,000-9,999
Jordan School District	Public Education	7,000-9,999
Salt Lake County	County Government	5,000-6,999
Wal-Mart Associates, Inc.	Warehouse Clubs & Supercenters	4,000-4,999
The Canyons School District	Public Education	4,000-4,999
U.S. Government (excluding Post Office & VA Hospital	Federal Government	4,000-4,999
Delta Air Lines, Inc.	Air Transportation	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
Salt Lake City Corporation	Local Government	3,000-3,999
Zions Bank Management Services	Banking	3,000-3,999
Smith's Marketplace	Grocery Store	3,000-3,999
L3 Communications	Communications Equipment Mfg.	3,000-3,999
Salt Lake Community College	Higher Education	3,000-3,999
Discover Products	Consumer Lending	3,000-3,999

FIRM NAME	INDUSTRY	APPROXIMATE NUMBER OF EMPLOYEES
U.S. Postal Service	Federal Government	3,000-3,999
United Parcel Service	Courier & Express Delivery Service	2,000-2,999
VA Medical Center	Health Care/Federal Government	2,000-2,999
Wells Fargo Bank, National Association	Banking	2,000-2,999
ARUP Laboratories	Medical Laboratory	2,000-2,999
C.R. England, Inc.	Trucking	2,000-2,999
Skywest Airlines	Air Transportation	2,000-2,999
JetBlue Airways Corporation	Travel Reservation Services	2,000-2,999
Kennecott Utah Copper	Metal Manufacturing/Mining	2,000-2,999
Harmons	Grocery Stores	1,000-,1999
Utah Transit Authority	Public Transportation	1,000-1,999
Convergys Customer Management	Telephone Call Center	1,000-1,999
Dental Select	Medical Insurance	1,000-1,999
eBay	Online Auctions Retail	1,000-1,999
Goldman Sachs	Financial Services	1,000-1,999
Home Depot U.S.A., Inc.	Retail Home Improvement	1,000-1,999

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(Source: Utah Department of Workforce Services. As of May 2017.)

## LABOR MARKET DATA OF SALT LAKE COUNTY

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Labor Force	587,026	577,571	579,712	561,508	550,960
Employed	567,497	556,398	555,407	532,928	514,709
Unemployed	19,529	21,173	24,305	29,030	36,251
Rate	3.3%	3.7%	4.2%	5.2%	6.6%
Nonfarm Jobs	661,297	639,511	624,309	603,913	583,010
% Change Prior Year	3.4%	2.4%	3.4%	3.6%	2.1%
Mining	2,696	2,948	3,399	3,652	3,220
Utilities	1,532	1,483	1,460	1,532	1,540
Construction	33,452	31,621	30,606	30,535	29,493
Manufacturing	53,357	52,468	52,562	52,503	51,174
Wholesale trade	31,414	30,538	30,758	31,161	29,969
Retail trade	69,427	67,280	66,412	64,161	60,869
Transportation and warehousing	30,334	28,319	27,984	27,125	26,018
Information	17,959	18,154	17,937	17,468	16,248
Finance and insurance	43,228	40,888	39,525	37,556	37,118
Real estate, rental and leasing	9,840	9,609	9,294	9,168	9,010
Professional, scientific and technical services	49,355	46,708	43,994	40,654	38,043
Management of companies and enterprises	16,622	16,559	16,319	16,109	15,664
Admin., support, waste mgmt., remediation	50,397	48,327	46,489	43,552	41,782
Education services	13,016	12,215	11,697	10,769	10,244
Health care and social assistance	62,061	59,778	59,266	57,259	56,171
Arts, entertainment and recreation	7,751	7,430	7,098	6,892	6,492
Accommodation and food services	47,803	46,218	44,774	42,550	40,787
Other services	20,758	20,066	19,338	18,535	17,893
Unclassified establishments	105	56	29	19	46
Government	100,192	98,849	95,373	92,835	91,232

(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>
2017*	3.2%	3.1%	4.4%
2016	3.2	3.4	4.9
2015	3.3	3.5	5.3
2014	3.7	3.8	6.2
2013	4.4	4.6	7.4
2012	5.3	5.4	8.1

\* Preliminary; subject to change. As of December 2016 (seasonally adjusted).

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

## DEBT STRUCTURE OF SALT LAKE CITY, UTAH

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

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

	AMOUNT OF ORIGINAL ISSUE	FINAL MATURITY DATE	PRINCIPAL OUTSTANDING
<b>General Obligation Bonds:</b>			
Series 1999 (Library Bonds)	\$ 81,000,000	6/15/2019	\$ 65,000
Series 2009B (The Leonardo)	10,200,000	6/15/2019	950,000
Series 2010A (Public Safety Facilities) <sup>(2)</sup>	25,000,000	6/15/2020	3,580,000
Series 2010B (Public Safety Facilities)	100,000,000	6/15/2031	72,375,000
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	4,610,000
Series 2015A Refunding (Taxable Sports Complex)	14,615,000	6/15/2028	11,760,000
Series 2015B Refunding (Open Space)	4,095,000	6/15/2023	2,640,000
Series 2017A Refunding (Refunded portion of Series 2009B)	6,460,000	6/15/2029	6,395,000
Series 2017B Refunding (Refunded portion of Series 2010A) <sup>(3)</sup>	12,940,000*	6/15/2030	<u>12,940,000*</u>
Total			<u>\$113,010,000*</u>
<b>Water and Sewer Revenue Bonds:</b>			
Series 2009 (Taxable)	\$ 6,300,000	2/1/2031	4,410,000
Series 2010 Revenue Bonds	12,000,000	2/1/2031	8,715,000
Series 2011 Revenue Bonds	8,000,000	2/1/2027	5,255,000
Series 2012 Improvement and Refunding Bonds	28,565,000	2/1/2027	17,800,000
Series 2017 Improvement and Refunding Bonds	72,185,000	2/1/2037	<u>72,185,000</u>
Total			<u>\$108,365,000</u>
<b>Special Improvement District and Assessment Area Bonds:</b>			
Series 2009B 103006	\$1,263,000	9/1/2019	\$294,000
Series 2009C 102145 & 102146	396,000	9/1/2019	<u>79,000</u>
Total			<u>\$373,000</u>
<b>Sales and Excise Tax Revenue Bonds:</b>			
Series 2007A	\$ 8,590,000	10/1/2026	\$ 4,490,000
Series 2009A	36,240,000	10/1/2028	3,395,000
Series 2012A	15,855,000	10/1/2032	13,230,000
Series 2013A (Federally Taxable)	51,270,000	4/1/2038	51,270,000
Series 2013B	7,315,000	10/1/2033	6,600,000
Series 2014A (Federally Taxable)	26,840,000	10/1/2020	20,590,000
Series 2014B	10,935,000	10/1/2034	10,155,000
Series 2016A	21,715,000	10/1/2028	<u>21,715,000</u>
Total			<u>\$131,445,000</u>
<b>Motor Fuel Excise Tax Revenue Bonds:</b>			
Series 2014	\$8,800,000	4/1/2024	\$ 6,305,000
<b>Tax and Revenue Anticipation Notes:</b>			
Series 2017	\$15,000,000	6/30/2018	\$15,000,000
<b>Airport Revenue Bonds:</b>			
Series 2017A	\$826,210,000	7/1/2047	\$ 826,210,000
Series 2017B	173,790,000	7/1/2047	<u>173,790,000</u>
Total			<u>\$1,000,000,000</u>
<b>Local Building Authority Lease Revenue Bonds<sup>(4)</sup>:</b>			
Series 2013A	\$7,180,000	10/15/2034	\$ 6,645,000
Series 2014A	7,095,000	4/15/2035	6,600,000
Series 2016A	6,755,000	4/15/2037	6,755,000
Series 2017A	8,115,000	4/15/2038	<u>8,115,000</u>
Total			<u>\$28,115,000</u>

\* 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 B—SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016—Notes to the Financial Statements—Note 6—Long-Term Obligations.”

(2) The outstanding maturities are federally taxable—direct pay—Build America Bonds.

(3) Expected to close on October 4, 2017.

(4) 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.

DEBT SERVICE SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS  
(As of \_\_\_\_\_, 2017)

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

\* Amounts may not add due to rounding.

**FUTURE DEBT PLANS**

The City continually evaluates its capital funding requirements. Although not definite, the City currently has no plans to issue additional bonds in the remainder of the fiscal year ending June 30, 2015.

The City plans to launch a terminal redevelopment program at the Salt Lake City International Airport. The \$1.8 billion project will be phased in over 8-10 years and will create a single terminal, concourses, parking and support facilities. The program is expected to address seismic risk, provide right-sized facilities, solve operation issues, improve customer service, and will accommodate growth while maintaining the Airport's competitive cost. It is currently anticipated that a portion of the Airport project will be financed by bonds issued by the City and secured by airport revenues.

## OVERLAPPING GENERAL OBLIGATION DEBT

TAXING ENTITY <sup>(1)</sup>	2016 TAXABLE VALUE <sup>(2)</sup>	CITY'S PORTION OF TAXABLE VALUE <sup>(2)</sup>	CITY'S PERCENTAGE	ENTITY'S GENERAL OBLIGATION DEBT <sup>(3)</sup>	CITY'S PORTION OF G.O. DEBT
CUWCD <sup>(3)</sup> .....	\$141,114,294,322	\$23,894,907,735	16.9%	\$236,649,820	\$40,071,954
Salt Lake City School District.....	23,892,134,587	23,892,134,587	100.0%	42,510,000	42,510,000
Salt Lake County.....	91,724,750,465	23,894,907,738	26.0%	233,665,000	<u>60,822,999</u>
Total Overlapping General Obligation Debt .....					\$143,404,953
Total Direct General Obligation Bonded Indebtedness .....					\$113,010,000*
Total Direct and Overlapping General Obligation Debt.....					<u>\$256,414,953*</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." The estimated 2016 Taxable Value is preliminary and subject to change. Final 2016 Taxable Value is expected to be released by the Property Tax Division of the Utah State Tax Commission later this year.

(3) Entity's General Obligation Debt used in this table is as of June 7, 2017.

(4) Central Utah Water Conservancy District ("CUWCD") encompasses all or a portion of eight 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 0.000400 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 financial information (as to outstanding general obligation debt).)

## DEBT RATIOS\*

The following table sets forth the ratios of general obligation debt of the City and the taxing entities listed in the table above entitled "Overlapping General Obligation Debt" that is expected to be paid from taxes levied specifically for such debt (and not from other revenues) on the taxable value of property within Salt Lake City, the estimated fair market value of such property and the population of Salt Lake 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 2016 TAXABLE VALUE <sup>(1)</sup>	COMPARED TO 2015 TAXABLE VALUE <sup>(2)</sup>	COMPARED TO 2015 ESTIMATED FAIR MARKET VALUE <sup>(3)</sup>	COMPARED TO 2016 POPULATION ESTIMATE PER CAPITA <sup>(4)</sup>
Direct General Obligation Debt.....	0.47%	0.48%	0.40%	\$583
Direct and Overlapping General Obligation Debt.....	1.07%	1.08%	0.90%	\$1,323

\* Preliminary; subject to change.

(1) Based on 2016 Taxable Value of \$23,894,907,738, which value *excludes* the taxable value used to determine uniform fees on tangible personal property. The estimated 2016 Taxable Value is preliminary and subject to change. Final 2016 Taxable Value is expected to be released by the Property Tax Division of the Utah State Tax Commission later this year.

(2) Based on 2015 Taxable Value of \$23,743,420,000, which value *excludes* motor vehicle values.

(3) Based 2015 Fair Market Value of \$28,594,182,234, which value *excludes* motor vehicle values. The 2016 Fair Market Value is not available as of the date of this Official Statement.

(4) Based on a 2016 population estimate of 193,744 persons and calculated using estimated 2016 Taxable Value of \$23,894,907,738.

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

**GENERAL OBLIGATION LEGAL DEBT LIMIT AND ADDITIONAL DEBT INCURRING CAPACITY\***

The general obligation indebtedness of the City is limited by State law to 8% of taxable property in the City (4% for general purposes and an additional 4% for sewer, water and electric purposes<sup>†</sup>) as computed from the last equalized assessment rolls for State or County purposes prior to incurring the debt. The legal debt limit and additional debt incurring capacity of the City are based on the estimated fair market value for 2013 and are calculated as follows:

Estimated 2015 Fair Market Value <sup>(1)</sup> .....			<u>\$28,869,216,966</u>
	LEGAL DEBT MARGIN	GENERAL PURPOSES 4%	WATER, SEWER, AND LIGHTING 4%
		-----	-----
General Obligation Debt Limit	\$1,154,768,679	\$1,154,768,679	\$2,309,537,358
Less: Outstanding General Obligation Bonds	<u>113,010,000</u>	<u>-</u>	<u>113,010,000</u>
Legal Debt Margin	\$1,041,758,679	\$1,154,768,679	\$2,196,527,358

\* Preliminary; subject to change.

† 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. The 2016 Fair Market Value is not available as of the date of this Official Statement.

**NO DEFAULTED OBLIGATIONS**

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

**FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH**

**FUND STRUCTURE; ACCOUNTING BASIS**

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

Revenues and expenditures are recognized using the modified accrual basis of accounting in all governmental funds. Revenues are recognized in the accounting period in which they become both measurable and available. “Measurable” means that amounts can be reasonably



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

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

#### FINANCIAL CONTROLS

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

#### BUDGET AND APPROPRIATION PROCESS

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Utah Cities, Title 10, Chapter 6 of the Utah Code (the "*Fiscal Procedures Act*"). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Improvement Fund. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

On or before the first regular meeting of the City Council in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for the Fiscal Year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer may revise the budget request submitted by the heads of City departments, but must file these submissions with the City Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the revenue from nonproperty tax sources available for each fund and the revenue from general property taxes

required by each fund. The tentative budget is then provisionally adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearings on the tentative budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

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

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

#### INSURANCE COVERAGE

The City is self-insured for general liability claims except for liability incurred on premises owned, rented, or occupied by the Department of Airports (the “*Airport*”) and carries Public Entity Excess Liability insurance with \$2,000,000 coverage in excess of the \$1,000,000 self-insured retention. The City also carries Cyber Liability insurance with a \$5,000,000 limit and \$50,000 deductible. The Airport carries Commercial General Liability insurance with a \$500,000,000 policy limit and no deductible. The Governmental Immunity Fund (an internal service fund) has been established to pay liability claims other than those covered by the Airport policy, along with certain litigation expenses.

The City carries an all risk Property Insurance policy (the “*Policy*”) with a \$500,000,000 limit, subject to sublimits and a \$100,000 deductible. The Policy includes: (1) earthquake coverage of \$125,000,000 with a deductible of 2% of the value up to a \$2,500,000 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 three identified properties the deductible is \$500,000; (3) boiler and machinery coverage to policy limit with a \$25,000 deductible; and (4) fine arts coverage of \$100,000,000 with a \$100,000 deductible. Business interruption and extra expense are covered at \$10,000,000. The City is self-insured for property 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.

The Airport is covered by a separate all risk Property Insurance policy with a \$500,000,000 limit, subject to sublimits and a \$100,000 deductible. Locations covered include Salt Lake City International Airport, South Valley Regional Airport, and Tooele Valley Airport. Boiler and machinery 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 \$100,000,000 limit and a 5% deductible, subject to a minimum \$250,000 deductible per occurrence. Time element including business interruption, extra expense, rental value, and rental income is covered at \$154,462,516 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.

The Treasurer and Deputy Treasurer are each covered under \$10,000,000 public officials bonds. The City also has a Government Crime policy covering (1) employee theft with a \$1,000,000 limit and \$20,000 deductible; (2) forgery or alteration coverage with a \$25,000 limit and a deductible of \$1,000; (3) money orders and counterfeit currency coverage with a \$50,000 limit and \$2,500 deductible; (4) crime inside and outside premises coverage, each with \$50,000 limits and \$2,500 deductibles; and (5) computer fraud and funds transfer fraud, each with \$1,000,000 limits and \$20,000 deductibles. The City also purchases excess workers' compensation insurance with a \$30,000,000 limit and a \$750,000 self-insured retention per occurrence. The City is self-insured for losses above the limits and below the deductibles. Further, the City is self-insured for 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.

See "APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 – 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. Currently the City has approximately \$1.6 billion on deposit in the PTIF, representing a substantial portion of the City's funds. All investments in the PTIF must comply with the Money Management Act and rules of the State Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

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

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

See “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016 – Notes to the Financial Statements – Note 2 – Cash, Cash Equivalents and Investments” below.

## PROPERTY TAX MATTERS

The Property Tax Act, Title 59, Chapter 2 of the Utah Code (the “*Property Tax Act*”) provides that all taxable property is required to be assessed and taxed at a uniform and equal rate on the basis of its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the “fair market value” of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

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

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

*Uniform Fees.* An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and

property subject to a fixed age-based fee. The uniform fee for motor homes is 1.0%, for aerial applicators is 0.2% and for all other aircraft is 0.4%. Motor vehicles weighing 12,000 pounds or less are subject to an age-based fee that is due each time the vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 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 \$10 to \$700, depending on the age of the vehicle. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

*Property Tax Valuation Agency Fund.* The State Legislature authorizes a multicounty assessing and collecting levy of up to .0002 per dollar of taxable value of taxable property, to fund a Property Tax Valuation Agency Fund (the “PTVAF”). The purpose of the multicounty assessing and collecting levy is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection and distribution of property taxes. Disbursement of money from the PTVAF to each county is based on statutory qualification and requirements. Additionally, each county must levy an additional property tax of at least .0003 per dollar of taxable value as a county assessing and collecting levy in order to receive funds from the PTVAF. If necessary, a county may levy an additional tax to fund (i) state mandated actions and (ii) reappraisal programs.

#### TAX LEVY AND COLLECTION

The State Tax Commission must assess all centrally-assessed property by May 1 of each year. County assessors must assess all locally-assessed property before May 22 of each year. The State Tax Commission apportions the value of centrally-assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate, before June 22. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for the purpose of contesting the assessed valuation of

their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally-assessed property, or any county with a showing of reasonable cause, may, on or before the later of June 1 or a day within 30 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. By November 1, each county treasurer furnishes each taxpayer a notice containing the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Taxes are due November 30, or if a Saturday, Sunday or holiday, the next business day. Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10, whichever is greater. Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Markets Committee plus 6% from the January 1 following the delinquency date until paid (provided that said interest may not be less than 7% or more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under “Public Hearing on Certain Tax Increases” below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “Public Hearing on Certain Tax Increases.” In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax in excess of the certified tax rate. A resolution levying a tax in excess of the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

#### PUBLIC HEARING ON CERTAIN TAX INCREASES

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so, by resolution, only after holding a properly noticed public hearing. Generally, the certified

tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of new growth. New growth is any increase in taxable value of the taxing entity from the previous calendar year to the current year less the amount of increase to locally-assessed real property taxable values resulting from factoring, reappraisal, other adjustments, or changes in the method of apportioning taxable value. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

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

#### SOURCES OF GENERAL FUND REVENUES

Set forth below are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's audited June 30, 2016 fiscal year period:

*General property taxes* – Approximately 39% of general fund revenues are from general property taxes.

*Sales, use and excise taxes* – Approximately 24% of general fund revenues are from sales, use and excise taxes.

*Franchise taxes* – Approximately 11% of general fund revenues are from franchise taxes.

*Licenses and Permits* – Approximately 12% of general fund revenues are from licenses and permits.

*Interfund service charges* – Approximately 4% of general fund revenues are from interfund service charges.

*Miscellaneous* – Approximately 3% of general fund revenues are from miscellaneous revenues.

*Intergovernmental* – Approximately 2% of general fund revenues are from other governmental entities.

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



*Fines and forfeitures* – Approximately 2% of general fund revenues are from fines and forfeitures.

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

*Parking tickets* – Approximately 1% of general fund revenues are from parking tickets.

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

#### FIVE-YEAR FINANCIAL SUMMARIES

The summaries contained herein were extracted from the City's financial statements for the fiscal years ended June 30, 2012 through June 30, 2016. The summaries are unaudited. See also "APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

SALT LAKE CITY CORPORATION, UTAH  
STATEMENT OF NET POSITION — GOVERNMENTAL ACTIVITIES  
(FISCAL YEARS ENDED JUNE 30)  
Unaudited

	FISCAL YEAR ENDED JUNE 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
ASSETS:					
Current assets:					
Cash and cash equivalents					
Unrestricted .....	\$ 144,244,008	\$ 128,016,575 <sup>(1)</sup>	\$ 73,966,245	\$ 55,516,081	\$ 51,521,830
Restricted .....	47,387,356	60,642,893	101,151,850	139,320,820	161,208,939
Receivables:					
Property, franchise and excise taxes .....	101,183,986	100,121,103	81,805,446	86,151,588	80,616,322
Assessments .....	4,668,897	2,595,098 <sup>(3)</sup>	2,551,004 <sup>(3)</sup>	3,805,920 <sup>(3)</sup>	2,260,400 <sup>(2)</sup>
Loans and other receivables .....	14,226,045	9,930,757	15,216,450	15,345,969	14,420,984
Due from other governments .....	685,229	1,729,533	4,389,607	1,307,053	1,850,815
Other, principally accrued interest .....	869,563	1,700,703	357,293	897,928	759,586
Prepaid Expenses .....	2,363,622	2,523,993	2,302,322	113,235	90,391
Inventories .....	689,096	695,405	615,203	673,176	681,302
Internal balances .....	<u>5,460,948</u>	<u>3,038,817</u>	<u>3,286,586</u>	<u>3,100,291</u>	<u>1,775,051</u>
Total current assets .....	<u>323,909,328</u>	<u>310,994,877<sup>(4)</sup></u>	<u>285,642,006</u>	<u>306,232,061</u>	<u>315,185,620</u>
Noncurrent assets:					
Restricted cash and cash equivalents .....	1,183,951	1,074,935	-	-	-
Property and equipment, at cost:					
Land and water rights .....	206,831,004	65,077,179	206,619,773	184,724,547	182,306,714
Infrastructure .....	294,542,403	429,932,898	285,616,313	283,180,839	284,313,023
Buildings .....	382,232,503	373,225,399	363,287,624	232,842,984	232,610,403
Improvements other than buildings .....	50,762,191	48,870,840	48,628,532	47,327,274	40,146,010
Machinery and equipment .....	109,411,267	105,249,654	100,440,157	94,557,402	91,383,819
Construction in progress .....	83,461,658	81,220,221	57,988,266	168,366,832	104,693,971
Accumulated depreciation .....	<u>(309,570,259)</u>	<u>(289,299,663)</u>	<u>(264,949,416)</u>	<u>(247,788,110)</u>	<u>(236,148,086)</u>
Net property and equipment .....	817,670,767	814,276,528	797,631,249	763,211,768	699,305,854
Bond issue costs .....	<sup>(7)</sup>	<sup>(7)</sup>	<sup>(7)</sup>	1,012,935 <sup>(6)</sup>	1,104,310 <sup>(5)</sup>
Pollution remediation receivable .....	-	-	-	-	-
Net pension asset .....	63,558	2,924,117	-	-	-
Investment in joint venture .....	<u>739,790</u>	<u>557,597</u>	<u>519,492</u>	<u>438,535</u>	<u>450,786</u>
Total noncurrent assets .....	<u>819,658,066</u>	<u>818,833,177</u>	<u>798,150,741</u>	<u>764,663,238</u>	<u>700,860,950</u>
Total assets .....	<u>\$1,143,567,394</u>	<u>\$1,129,828,054</u>	<u>\$1,083,792,747</u>	<u>\$1,070,895,299</u>	<u>\$1,016,046,570</u>
Deferred Outflows of Resources:					
Deferred outflows-Pension .....	45,409,809	13,322,572	-	-	-
Deferred gain on the refunding of debt .....	<u>2,171,010</u>	<u>-</u>	<u>3,698,729</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources .....	<u>\$1,191,148,213</u>	<u>\$1,143,150,626</u>	<u>\$1,087,491,476</u>	<u>\$1,070,895,299</u>	<u>\$1,016,046,570</u>

- (1) The changes in unrestricted and restricted cash and cash equivalents are due, for the most part, to the timing of the release of bond proceeds from restricted accounts until such proceeds are actually spent.
- (2) Including \$242,722 of delinquent assessments
- (3) Including \$384,417 of delinquent assessments
- (4) The increase in current assets in due primarily to an increase in personal property and real property taxes as well as the inclusion of Redevelopment Agency property taxes in the General Fund, as recommended by the State Auditor.
- (5) Less accumulated amortization of \$149,072
- (6) Less accumulated amortization of \$1,993,802
- (7) Beginning with Fiscal Year 2014, the City implemented GASB 65 which modified the reporting of certain items previously recognized as assets.

(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				
	2016	2015	2014	2013	2012
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable .....	\$11,932,267	\$12,494,584	\$ 11,375,235	\$19,733,883	\$ 19,183,927
Accrued liabilities .....	17,527,854	16,358,439	14,681,200	12,639,205	12,486,157
Due to other funds for cash overdraft ....	2,130,578	1,729,533	1,798,254	20,534,674	6,132,555
Current portion of long-term compensated absences.....	2,700,423	2,656,393	2,541,261	2,533,826	2,241,031
Current portion of estimated claims payable.....	-	-	128,037	2,861,487	3,611,364
<b>Current portion of long-term debt:</b>					
Payable from unrestricted assets.....	26,885,166	27,338,678	23,237,990	21,247,049	19,989,585
Special assessment debt with governmental commitment .....	-	-	-	-	559,000
Unearned revenue.....	-	-	-	2,582,478	65,114,001
Deferred revenue .....	-	-	-	72,809,202	-
Other liabilities payable from restricted assets .....	4,792,821	2,632,770	122,875	501,361	488,029
Current deposits and advance rentals....	<u>3,337,915</u>	<u>4,482,055</u>	<u>9,996,217</u>	<u>1,600,710</u>	<u>1,076,864</u>
Total current liabilities .....	<u>69,307,024</u>	<u>67,692,452</u>	<u>63,881,069</u>	<u>157,043,875</u>	<u>130,882,513</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable property tax revenues.....	90,320,161	85,539,630	69,347,133	-	-
Unavailable grant revenue.....	-	-	154,615	-	-
Deferred Inflows-Pension.....	<u>12,976,538</u>	<u>13,793,934</u>	-	-	-
Total deferred inflows.....	<u>103,296,699</u>	<u>99,333,564</u>	<u>69,501,748</u>	-	-
<b>Noncurrent liabilities:</b>					
Long-term compensation absences liability.....	17,470,993	17,407,210	17,209,088	16,213,834	15,120,125
Pollution remediation liability .....	-	-	-	-	-
Other post employment benefits.....	-	1,150,288	33,369,000	27,153,000	20,954,000
Estimated claims payable .....	8,367,313	-	5,418,383	2,108,000	1,198,831
Bonds payable .....	302,213,045	307,133,658	310,655,344	257,085,511	252,302,450
Notes payable .....	-	22,453,000	22,919,856	34,322,309	26,567,678
Net pension liability.....	112,772,564	88,201,322	-	-	-
Notes payable from restricted assets.....	<u>12,177,209</u>	-	-	<u>440,510</u>	<u>703,259</u>
Total noncurrent liabilities .....	<u>453,001,124</u>	<u>436,345,478</u>	<u>389,571,671</u>	<u>337,323,164</u>	<u>316,846,343</u>
Total liabilities.....	<u>522,308,148</u>	<u>504,037,930</u>	<u>453,452,740</u>	<u>494,367,039</u>	<u>447,728,856</u>
<b>NET POSITION:</b>					
Net investment in capital assets.....	601,185,318	504,457,177	529,133,876	576,786,227	488,881,693
<b>Restricted for:</b>					
Debt service .....	1,975,291	4,676,505	4,726,742	22,363	-
Capital projects .....	59,089,891	68,887,524	27,943,291	70,774,227	108,894
Unrestricted .....	<u>(96,707,134)</u>	<u>(38,242,074)</u>	<u>2,733,079</u>	<u>(71,054,557)</u>	<u>79,327,127</u>
Total net position.....	<u>565,543,366</u>	<u>539,779,132</u>	<u>564,536,988</u>	<u>576,528,260</u>	<u>568,307,714</u>
Total liabilities and net position..	<u>\$1,191,148,213</u>	<u>\$1,143,150,626</u>	<u>\$1,087,491,476</u>	<u>\$1,070,895,299</u>	<u>\$1,016,036,570</u>

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

SALT LAKE CITY CORPORATION, UTAH  
BALANCE SHEET — GOVERNMENTAL FUNDS — GENERAL FUND  
(FISCAL YEARS ENDED JUNE 30)  
Unaudited

ASSETS AND OTHER DEBITS	2016	2015	2014	2013	2012
Assets:					
Cash and cash equivalents	\$ 41,201,923	\$ 42,429,252	\$ 32,947,289	\$ 26,293,281	\$ 21,931,749
Receivables:					
Property, franchise, excise and other taxes	108,976,077	99,626,134	81,319,861	85,748,520	80,220,923
Loans, prepaids and other receivables	2,895,090	7,845,359	10,592,327	2,890,736	2,742,556
Due from other governments	-	-	-	5,000	-
Other, principally accrued interest	-	-	1,199,647	412,370	277,259
Restricted Assets:					
Cash and cash equivalents	<u>1,436,374</u>	<u>802,540</u>	<u>664,176</u>	<u>-</u>	<u>113,801</u>
Total Assets and Other Debits	<u>\$154,509,464</u>	<u>\$150,703,285</u>	<u>\$126,723,300</u>	<u>\$115,349,907</u>	<u>\$105,286,288</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 3,745,483	\$ 3,335,717	\$ 3,855,796	\$ 3,029,608	\$ 2,609,281
Accrued liabilities	14,743,977	13,008,109	11,955,452	13,428,351	12,119,520
Current deposits and advance rentals	2,429,943	1,698,769	1,564,396	1,441,539	1,076,864
Current portion of long-term comp. abs.	2,326,249	2,220,343	2,120,952	-	-
Delayed Revenue Recognition	-	2,080,744	4,284,464	-	-
Deferred Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,329,536</u>	<u>64,349,615</u>
Total liabilities	<u>23,245,652</u>	<u>22,343,682</u>	<u>23,781,060</u>	<u>88,229,034</u>	<u>80,155,280</u>
DEFERRED INFLOWS OF RESOURCES					
Receivables not meeting available criterion	<u>90,171,915</u>	<u>85,386,474</u>	<u>69,347,133</u>	<u>-</u>	<u>-</u>
Total deferred inflows	<u>90,171,915</u>	<u>85,386,474</u>	<u>69,347,133</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable	10,936,767	6,847,368	3,156,470	2,582,478	3,079,857
Restricted	-	-	-	-	113,801
Committed	-	-	-	-	2,142,919
Assigned	7,098,940	6,691,399	3,789,277	2,369,642	-
Unassigned	<u>23,056,190</u>	<u>29,434,362</u>	<u>26,649,360</u>	<u>22,168,753</u>	<u>19,794,431</u>
Total fund balances	<u>41,091,897</u>	<u>42,973,129</u>	<u>33,595,107</u>	<u>27,120,873</u>	<u>25,131,008</u>
Total Liabilities and Fund Balances	<u>\$154,509,464</u>	<u>\$150,703,285</u>	<u>\$126,723,300</u>	<u>\$115,349,907</u>	<u>\$105,286,288</u>

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

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	2016	2015	2014	2013	2012
<b>Revenues:</b>					
General property tax	\$ 96,359,007	\$ 79,844,217	\$ 77,407,225	\$ 67,309,705	\$ 62,347,247
Sales, use and excise taxes	59,927,247	57,873,243	55,380,938	53,775,978	49,635,583
Franchise taxes	27,972,665	28,132,535	27,881,251	27,843,740	28,232,971
Licenses	14,414,308	12,933,000	12,238,009	11,846,336	9,755,248
Permits	14,274,844	11,338,531	9,320,153	8,187,911	8,863,736
Fines and forfeitures	3,632,916	4,806,599	4,993,420	5,097,550	5,840,640
Interest	1,000,100	677,898	950,690	415,827	433,122
Intergovernmental	5,453,584	5,325,014	5,207,625	5,032,566	5,039,294
Interfund service charges	11,051,279	10,372,337	10,070,874	9,834,116	9,830,406
Parking meter collections	3,324,616	3,294,774	3,220,203	3,003,184	1,791,922
Parking tickets	2,844,690	2,876,299	2,128,736	3,041,874	3,374,058
Charges for services	4,063,532	4,800,655	4,820,246	4,195,655	4,558,938
Rental and other income	887,017				
Contributions	-	24,323	24,894	23,679	10,650
Miscellaneous	<u>5,295,397</u>	<u>6,218,029</u>	<u>5,076,269</u>	<u>3,526,351</u>	<u>2,708,746</u>
<b>Total Revenues</b>	<b><u>250,501,202</u></b>	<b><u>228,517,454</u></b>	<b><u>218,720,533</u></b>	<b><u>203,134,472</u></b>	<b><u>192,422,561</u></b>
<b>Expenditures:</b>					
City Council	2,721,621	2,426,454	2,299,541	2,224,525	2,178,462
Mayor	2,456,932	2,635,082	2,515,823	2,473,056	2,452,208
City Attorney	5,442,492	5,324,431	5,615,937	5,422,770	5,212,761
Finance	6,355,798	6,061,407	6,813,243	5,603,552	4,702,460
Fire	38,203,990	37,049,088	35,507,507	34,184,764	35,529,048
Combined Emergency Services	6,919,161	6,394,929	6,269,384	5,121,394	
Police	60,822,121	57,719,656	55,352,429	54,719,921	56,894,419
Community & Economic Development	21,240,753	19,468,686	17,582,028	16,823,833	17,029,116
Justice Court	4,024,112	3,892,584	3,790,482	3,928,490	4,226,916
Human Resources	2,165,444	2,090,499	1,994,718	1,882,475	1,760,846
Public Services	39,890,516	37,012,824	33,469,895	33,287,092	33,515,617
Nondepartmental	27,761,151	23,547,487	23,207,263	21,359,218	15,898,701
Interest and other fiscal charges	<u>321,134</u>	<u>219,320</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<b><u>218,325,225</u></b>	<b><u>203,842,447</u></b>	<b><u>194,418,250</u></b>	<b><u>187,031,090</u></b>	<b><u>179,400,554</u></b>
<b>Revenues Over Expenditures</b>	<b><u>32,175,977</u></b>	<b><u>24,675,007</u></b>	<b><u>24,302,283</u></b>	<b><u>16,103,382</u></b>	<b><u>13,022,007</u></b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from sale of property	353,121	405,393	436,357	542,981	488,761
Transfers in	5,393,054	7,867,962	5,599,921	4,156,639	3,518,849
Transfers out	<u>(39,803,384)</u>	<u>(23,570,340)</u>	<u>(23,864,327)</u>	<u>(18,813,137)</u>	<u>(18,362,584)</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(34,057,209)</u></b>	<b><u>(15,296,985)</u></b>	<b><u>(17,828,409)</u></b>	<b><u>(14,113,517)</u></b>	<b><u>(14,354,974)</u></b>
<b>Net Change in Fund Balances</b>	<b>(1,881,232)</b>	<b>9,378,022</b>	<b>6,474,234</b>	<b>1,989,865</b>	<b>(1,332,967)</b>
Fund Balance Prior Year (July 1)	<u>42,973,129</u>	<u>33,595,107</u>	<u>27,120,873</u>	<u>25,131,008</u>	<u>26,463,975</u>
Fund Balance Year End (June 30)	<b><u>\$41,091,897</u></b>	<b><u>\$42,973,129</u></b>	<b><u>\$33,595,107</u></b>	<b><u>\$27,120,873</u></b>	<b><u>\$25,131,008</u></b>

(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				
	2016	2015	2014	2013	2012
General Purposes	0.003617	0.003861	0.003787	0.003965	0.003574
Interest & Sinking Fund	0.000910	0.000989	0.001066	0.001064	0.001097
Library	0.000705	0.000747	0.000782	0.000820	0.000846
Judgment Recovery	<u>0.000030</u>	<u>0.000014</u>	<u>0.000040</u>	<u>0.000007</u>	<u>0.000072</u>
Total Levy	0.005262	0.005611	0.005675	0.005856	0.005589

## COMPARATIVE PROPERTY TAX RATES WITHIN SALT LAKE COUNTY

Tax Levying Entity	TAX RATE				
	2016	2015	2014	2013	2012
Alta Town	0.001153	0.001204	0.001200	0.001091	0.001065
Bluffdale City	0.001218	0.001309	0.001419	0.001523	0.001630
Cottonwood Heights City	0.002064	0.002239	0.002386	0.002522	0.002654
Draper City	0.001560	0.001701	0.001791	0.001887	0.002009
Herriman City	0.000342	0.000361	0.000384	0.000418	0.000435
Holladay (City of)	0.001420	0.001528	0.001596	0.001707	0.001791
Midvale City	0.001398	0.000609	0.000623	0.000658	0.000687
Murray City	0.001892	0.002049	0.002156	0.002216	0.002259
Riverton City	0.000000	0.000000	0.000000	0.000000	0.000000
<b>Salt Lake City</b>	<b>0.005262</b>	<b>0.005611</b>	<b>0.005675</b>	<b>0.005856</b>	<b>0.005589</b>
Sandy City	0.001321	0.001426	0.001413	0.001520	0.001520
South Jordan City	0.001951	0.002082	0.002210	0.002376	0.002376
South Salt Lake City	0.002303	0.002454	0.002572	0.002757	0.002757
Taylorsville (City of)	0.001165	0.001250	0.001294	0.002722	0.002202
West Jordan City	0.002139	0.002251	0.002368	0.002562	0.002674
West Valley City	0.004233	0.004199	0.004381	0.004670	0.004857

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

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TAXABLE AND FAIR MARKET VALUE OF PROPERTY

SALT LAKE CITY, UTAH

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

YEAR	TAXABLE VALUE <sup>(1)</sup>	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE <sup>(2)</sup>	% CHANGE OVER PRIOR YEAR
2016	\$23,894,907,738*	9.89%	\$ NA	NA%
2015	21,743,420,020	5.70	28,594,182,234	6.02
2014	20,570,127,590	6.85	26,971,066,587	6.56
2013	19,251,047,850	5.59	25,316,280,083	5.14
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

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

YEAR	TAXABLE VALUE <sup>(1)</sup>	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE <sup>(2)</sup>	% CHANGE OVER PRIOR YEAR
2015	\$22,028,209,957	5.54%	\$28,869,216,966	5.85%
2014	20,871,553,904	6.83	27,272,492,901	6.52
2013	19,537,675,384	5.55	25,602,907,617	5.11
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)

\* Preliminary; subject to change.

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

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

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

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HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY

SALT LAKE CITY, UTAH  
 HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY  
 TAX CALENDAR YEARS 2011 THROUGH 2015

	2015		2014	2013	2012	2011
	TAXABLE VALUE	% OF T.V.	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE
<i>Set by State Tax Commission—Centrally Assessed</i>						
Total centrally assessed.....	\$ 1,817,109,028	8.3%	\$ 1,675,913,941	\$ 1,618,052,878	\$ 1,577,040,773	\$ 1,610,083,284
<i>Set by County Assessor—Locally Assessed</i>						
Real property:						
Primary residential .....	8,357,868,503	37.9	7,819,896,520	7,142,953,245	7,263,214,853	7,204,572,132
Secondary residential .....	182,452,500	0.8	180,578,950	180,928,160	180,003,270	176,730,700
Commercial and industrial .....	9,262,173,660	42.0	8,769,911,490	7,607,614,630	7,472,027,650	7,341,913,730
Unimproved Non-FAA-Vacant..	1,234,960	0.0	1,218,420	944,740	989,980	945,030
Agricultural .....	128,210	0.0	119,110	58,730	56,380	62,270
Total real property .....	17,803,821,833	80.3	16,771,724,490	14,932,499,505	14,916,292,133	14,724,223,862
Personal property:						
Primary mobile homes .....	3,362,286	0.0	3,473,366	3,745,243	3,653,927	3,709,447
Secondary mobile homes.....	5,731,645	0.0	5,180,360	5,256,207	4,722,895	6,782,678
Other business personal property	2,119,110,364	9.6	2,108,139,193	1,671,214,675	1,722,599,061	1,716,215,584
SCME <sup>(1)</sup> .....	4,040,070	0.0	5,696,240	303,776	13,122	0
Total personal property .....	2,132,244,365	9.8	2,122,489,159	1,680,519,901	1,730,989,005	1,726,707,709
Fee in lieu/age based property <sup>(2)</sup> ....	275,034,731		301,426,315	279,927,817	280,240,217	871,616,151
Total locally assessed.....	20,211,100,929	91.7%	19,195,639,963	16,892,947,223	16,927,521,355	17,322,547,722
Total taxable value.....	\$22,028,209,957	100.0%	\$20,871,553,904	\$18,511,000,101	\$18,504,562,128	\$18,932,631,006
Total taxable value (less fee in lieu/age based property).....	\$21,753,175,225 <sup>(3)</sup>	98.7%	\$20,570,127,590	\$18,231,072,284	\$18,224,321,911	\$18,061,014,855

(1) Semiconductor Manufacturing Equipment.

(2) See “FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Property Tax Matters.”

(3) The 2015 Taxable Value reflects 2014 personal property values as a breakdown of 2015 personal property values is not publicly available.

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

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## TAX COLLECTION RECORD

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (\$000)	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY <sup>(1)</sup>		COLLECTION IN SUBSEQUENT YEARS (\$000)	TOTAL COLLECTIONS TO DATE	
		AMOUNT (\$000)	PERCENTAGE OF LEVY		AMOUNT (\$000)	PERCENTAGE OF LEVY
2016	\$92,356	\$91,429	99.0%	\$ -	\$91,429	99.0%
2015	75,914	74,933	98.7	521	75,454	99.4
2014	72,612	71,497	98.5	840	72,337	99.6
2013	64,134	63,003	98.2	982	63,985	99.8
2012	63,176	61,776	97.8	1,214	62,990	99.7

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

## SOME OF THE LARGEST TAXPAYERS IN THE CITY

TAXPAYER	TYPE OF BUSINESS	2015 TAXABLE VALUE(1)	% OF THE CITY'S 2011 TAXABLE VALUE
LDS Church (Property Reserve, City Creek Reserve, Deseret Title)	Real Estate Holding	\$866,974,522	4.0%
PacifiCorp	Electric Utility	442,656,246	1.6
Boyer Properties	Real Estate Holding	358,193,800	1.6
Delta Airlines	Air Transportation	248,606,580	1.1
Wasatch Plaza Holding	Real Estate Holding	202,508,700	0.9
Sky West Airlines	Air Transportation	181,381,535	0.8
Century Link	Communication	136,783,109	0.6
Questar Gas	Natural Gas	136,557,237	0.6
KBS111 222 Main	Real Estate Holding	135,588,000	0.6
Grand America Hotel Corporation	Hospitality	<u>91,620,600</u>	<u>0.4</u>
		<u>\$2,800,870,329</u>	<u>8.2%</u>

(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, 2016.)

## RECENT DEVELOPMENTS

The City ended fiscal year 2016 \$3.9 million under budget for expenses in the General Fund. A significant portion of the savings stemmed from lower than expected personnel costs. Overall revenue received was \$2.16 million over budget. Property tax revenues were higher than budgeted due to an increase in personal property tax collections of \$5.27 million. Sales tax revenues were approximately \$1.69 million over budget and, together with the increased property tax revenues, were able to cover the shortfalls experienced in other revenue streams, including decreased revenues for court fines and parking tickets that were approximately \$2.8 million under budget. Over the past few years, the City has experienced increasing sales tax collections and stable property tax revenues. Fund balance for the end of fiscal year 2016 was \$41 million or 16%

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 fund balance decreased by \$1.88 million (on a GAAP basis) compared to the previous fiscal year.

The fiscal year 2016 budget grew by approximately 11% (or \$25.4 million) as compared to the previous year. The largest single increase of \$10.1 million is associated with a State law change recognizing property tax revenue that goes to the redevelopment agency (RDA) as part of the City's budget. Employee related costs increased about \$4 million including 25 new positions in the police department and a cost of living increase of 2% for all city employees. Fiscal year-to-date, overall revenues are tracking slightly above budget.

### **TAX TREATMENT**

[Interest on the Bonds is includable in gross income for federal income purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their tax advisors with respect to the inclusion of interest on the Bonds in gross income for federal income tax purposes and any collateral tax consequences.

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

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but Bond Counsel expresses no opinion as to whether interest on the Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Bonds are refunding both new money bonds issued in 2009 or 2010 and bonds issued before 2009 or after 2010. Interest on bonds issued to refund 2009 or 2010 new money bonds is not taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations, but interest on bonds issued to refund pre-2009 and post-2010 bonds is generally taken into account in computing adjusted current earnings. It is not clear whether a portion of the interest on the Bonds may be excluded from

adjusted current earnings for this purpose or whether, because the Bonds are not exclusively refunding bonds issued in 2009 and 2010, no portion of the interest may be excluded from adjusted current earnings. For this reason, as noted above, Bond Counsel expresses no opinion as to whether interest on the Bonds is taken into account in computing adjusted current earnings, which is used in determining the federal alternative minimum tax for certain corporations.

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

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

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each maturity, if any, of the Bonds (the "*2017B OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an 2017B OID Bond in the initial public offering at the Issue Price for such maturity and who holds such 2017B OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such 2017B 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 2017B OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of 2017B OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such 2017B OID Bonds.

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

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an 2017B OID Bond, its Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis*

rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an 2017B OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

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

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

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

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

## UTAH INCOME TAXATION

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

## LITIGATION

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

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

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

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

## CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Agreement (the "*Agreement*"), in substantially the form attached hereto as APPENDIX B, for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934.

A failure by the City to comply with the Agreement will not constitute a default under the Resolution and beneficial owners of the Bonds are limited to the remedies described in the Agreement. A failure by the City to comply with the Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. See "FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto as APPENDIX B for the

information to be provided, the events which will be noticed on an occurrence basis and the other terms of the Agreement, including termination, amendment and remedies.

The City 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. In the previous five years the City provided its annual financial information and audited financial statements to the applicable dissemination agent in advance of the deadline specific in the applicable continuing disclosure undertaking. Dissemination Agents for certain of its bonds filed such information late; *however*, except for a few instances the information was filed within 30 days of the deadline. The instances in which the information was filed multiple months later were due to technical failures by the applicable dissemination agent to link the information to some of the CUSIP numbers associated with the City's bonds. Dissemination agents also did not timely file event notices related to the 2010 upgrade of certain of the City's bonds by Fitch from "AA" to "AA+" or event notices related to the defeasance and refunding of certain bonds.

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. Additionally, the City has reviewed and strengthened its disclosure policies and procedures.

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

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

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

#### **BOND RATINGS**

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

Any explanation of the significance of the ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given will be maintained for

any period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

#### **FINANCIAL ADVISOR**

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

#### **BOND PURCHASE**

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

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

#### **INDEPENDENT AUDITORS**

The basic financial statements of Salt Lake City Corporation as of and for the Year Ended June 30, 2016, included in APPENDIX A to this Official Statement, have been audited by Eide Bailly, independent auditors, as stated in their report appearing herein.

**MISCELLANEOUS**

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

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

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

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

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

SALT LAKE CITY, UTAH

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



**APPENDIX A**

**SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**APPENDIX B**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**