
M E M O R A N D U M

DATE: August 17, 2010
TO: City Council Members
FROM: Jennifer Bruno, Deputy Director
RE: Regional Athletic Complex – Riparian Area Restoration Plan and Budget Amendment

COUNCIL ACTION REQUESTED

Note: Council Staff has prepared a motion for Council consideration - see Page 5 of this staff report

- A. The Administration has prepared a transmittal asking the Council to adopt the Regional Athletic Complex Riparian Restoration Plan.
1. The plan was prepared by SWCA Environmental Consultants with input from a jointly-convened group of local experts, as directed by the Council (motion included in section labeled "Recent Background").
 2. The Council has advertised a public hearing relating to this plan, in conjunction with two other public hearings relating to the Regional Athletic Complex (RAC). The hearings are set for August 17th at 7pm.
 3. The City's Environmental consultant will be available at the Council's work session to answer any questions the Council may have regarding the plan.
- B. The Administration is also requesting the Council amend the remaining expenditure budgets and direct the City Treasurer to sell the general obligation bonds to allow construction of the RAC to move forward.
1. In January 2010, the Council authorized \$2 million of the \$22.8 million expenditure budget for Phase I of the RAC, and made release of the remaining funds contingent upon approval of the restoration plan.
 2. The Administration would like the Council to accept the restoration plan prepared by the consultants and authorize the remaining \$20.8 million in expenditures (\$13.3 million in remaining GO Bond funds and \$7.5 million from the Real Salt lake contribution).
 3. In order to meet the goal of opening the RAC in the late fall of 2011, construction must begin in September. The Administration indicates that this is a time-sensitive issue because if the GO Bonds for this project are not sold by November, the City could be in jeopardy of losing the \$7.5 million contribution for the project from Real Salt Lake. In order for the bonds to be sold in November, the Council must give the treasurer direction to sell by the middle of September.
- C. The Administration has also submitted a petition to re-zone portions of the subject property and amend the relevant Small Area Master Plans. This land use petition will be briefed separately on August 17th and will have a separate Council Staff report. The public hearing has been set for August 17th, in conjunction with the other hearings on this issue.

KEY QUESTIONS FOR COUNCIL CONSIDERATION

1. Does the Council accept the restoration plan as presented by the Consultant?
2. How does the Council wish to fund the restoration plans - in phases or up front? Does the Council wish to add to the project budget by identifying additional funding or direct the Administration to reduce the project scope to shift funds to this purpose?

3. Does the Council concur with the Administration's current plans for the project (number of fields, configuration, etc)?
4. Will the Council authorize the treasurer to release the bonds and approve the expenditure budget?

KEY ELEMENTS – RESTORATION PLAN

- A. The City retained SWCA Environmental Consultants to prepare a restoration plan for the riparian area buffer along the Jordan River. The consultant prepared a draft plan that was circulated to a subcommittee of 13 local experts in relevant topics (hydrology, ecology, wildlife, ornithology, etc). After receiving the draft plan the subcommittee was then convened on May 12, 2010. The consultants received oral and written comments on the draft plan, which resulted in significant enhancements to final Plan. *Note - the full plan is included in the Administration's transmittal, attached to this staff report.*
- B. The plan outlines restoration strategies for the riparian area located on approximately 44 acres on both sides of the Jordan River. Some restoration funds for the east side of the river will may be available as part of funding for the Jordan River Parkway construction to the Davis County line (exact amount of funds available is not known but this will be available soon). *Note: Any funds available for restoration on the east side of the river could offset the total cost of the Restoration Plan.* Plans for the west side of the river will be implemented along with construction of the RAC, and may have to be phased depending on budget (see Key Elements - Budget section). *Note: The current RAC budget does not currently have budget allocated that would be sufficient to implement the complete restoration plan as outlined by the consultants.*
- C. The stated goal for the plan is to improve riparian and upland features and functions, including wildlife habitat and downstream water quality, while balancing the needs for recreation and public access in adjacent areas.
 1. The consultants used guiding principles of the Blueprint Jordan River plan to inform the plan.
 - i. Goals include: enhance connectivity of riparian habitat along the Jordan River through increased vegetative cover and improved habitat quality, establish buffers between the river and built environment, and restore riparian habitats.
 - ii. The recommended Restoration Area in the plan (buffer to the river) meets either the "Gold" (200 feet wide) or "Silver" (100 feet wide) level of environmental opportunity requirements outlined in the plan.
 2. The plan is intended to be a general planning document, to be used for construction planning and budget estimating purposes, and is not intended to provide construction-ready information.
- D. Once the Council determines the budget availability for restoration, a detailed implementation and management plan will be completed by SWCA, which will have a detailed planting plan with specific seed mixes. It is possible that the budget amount could change at that point as well, depending on the final scope of work and level of restoration decided upon.
- E. The following are key elements for Council consideration identified in the plan (the full plan is included in the Administration's transmittal):
 - a. For the purposes of this document, "Restoration" is the process of returning a degraded habitat to a healthy, self-sustaining ecosystem with natural function and a predominance of native species. For the purposes of this plan, "restoration" is

not the process of returning a site to its pre-human or pre-urban condition. The plan describes the current condition and identifies methods to achieve "Restoration" as so defined.

- b. The plan acknowledges that true habitat restoration is constrained by changes to the overall Jordan River system north of 2100 South (channelization, urbanization, flow modification).
 - i. Current existing water diversions for the Jordan River have reduced flows and limit flooding in the RA to the extent that it constricts the width of the area capable of supporting riparian vegetation.
 - ii. A main goal of the plan is to help mitigate this condition and improve plant species and diversity.
- c. The plan uses strategies that have been successful in other areas along the Jordan River in Salt Lake County (both publicly and privately owned).
- d. The stated objectives of the plan are
 - i. Reduce weed cover in the restoration area and maintain this reduction over time
 - ii. Establish a complex riparian wetland and upland habitats consisting of diverse, native plant species
 - iii. Enhance existing habitat and increase the diversity of abundance of migratory bird species
 - iv. Establish buffers and landscape features to physically and visually separate the natural and built environments.
- e. The plan calls for a buffer ranging from 100 to 400 feet with an average width of 240 feet on the West side of the river (adjacent to the Athletic Complex), and a buffer of 25 to 340 feet, with an average width of 140 feet on the East side of the river.
 - i. Existing riparian buffer widths are 5 to 40 feet.
 - ii. General experience shows that 100 to 300 feet of stream buffer is ideal for a successful riparian restoration effort, although some studies have shown widths that vary drastically by location and desired outcome (improving water quality, improving habitat for specific birds, etc). Details on these studies can be found on page 5 of the plan.
- f. The plan calls for installation of interpretive signage at the trailhead along the east side of the Jordan River (the closest public interface with the Restoration Area) that will provide educational opportunities and help foster stewardship of the environment through a better understanding of the river's ecology. This will include education information about wildlife as well as plants.
- g. The plan is to provide an improved habitat for migratory bird species, and has focused on ten priority species to achieve this goal, and inform the restoration strategies. Other wildlife species not in this priority list, with similar habitats will similarly benefit.
- h. The plan details different current and desired habitat types (see chart below). The plan notes that in 2003, Department of Wildlife Resources staff estimated that less than half of the vegetative cover in the restoration area was made up of native plant species.

	Acres				Approximate Price Per Acre	Approximate Restoration Price	Notes on Restoration Strategy
	Current	% of total	Proposed	% of total			
Off-channel wetlands	4.7	12%	8	19%	\$20,000 - \$35,000	\$160,000 - \$280,000	Increasing acres minimizes potential for invasive species, can be supported with existing groundwater.
Emergent bench wetlands	1.7	4%	2	5%	\$30,000 - \$50,000	\$60,000 - \$100,000	Allows for creation of wetland habitat where none exists. Weed treatment needed in current acres
Riparian forest complex	6.9	17%	5.9	14%	\$20,000 - \$40,000	\$118,000 - \$236,000	Currently dominated by non-native species. Must be phased over 10-20 years so as not to disrupt current wildlife. Some non-natives will be kept, allowing for greater diversity. Decrease is due to band of Russian Olives on West side of the river that will be removed.
Upland grasslands	20.7	51%	19.1	44%	\$5,000 - \$8,000	\$95,500 - \$152,800	Currently dominated by noxious and non-native grasses. Restoration will involve removal of non-natives followed by planting. Reduction is due to conversion of some areas to wetland category.
Upland shrublands	6.7	16%	7.4	17%	\$8,000 - \$15,000	\$59,200 - \$111,000	
Graminoid slope wetlands	0	0%	0.7	2%	\$30,000 - \$50,000	\$21,000 - \$35,000	Allows for gradual transition from river to upland, potential for diverse species.
TOTAL						\$513,700 - \$914,800	

Note: These costs do NOT include monitoring. See item (m) below for more information on preliminary monitoring costs.

- i. The City's consultant recommends that the City phase implementation of this Restoration Plan, regardless of budget availability. More detail on exact costs and phasing will be available at the Council's work session briefing.
- j. The plan details current conditions including existing plant, soils, water quality and wildlife on pages 8-12 of the plan (*and are shown in Map 3 in the plan, and also attached to this staff report*).
- k. Details of the restoration plan begins on page 13 of the plan (*and are shown in Map 4 in the plan, and also attached to this staff report*).
- l. The plan recommends systematic and on-going stewardship to prevent a future return to the current degraded state. *The Council may wish to as the Administration to identify the future potential budget needs for this corridor.*
- m. The plan calls for a need for continued maintenance and monitoring, although exact costs of this will not be known until a more detailed plan can be put together (which is tied to the Council-authorized budget). Preliminary costs are as follows :

	Duration	Cost (per year)	Cost (total)
Breeding Birds	2010-2014	\$4,000	\$16,000
Bird Migration	2010-2014	\$4,000	\$16,000
Weed Mapping	2010-2014	\$3,000	\$12,000
Native Vegetation Survey	2010-2014	\$4,000	\$16,000

Total costs all categories - \$15,000 per year for 4 years.

- n. The plan details the historic context of the site using documentation dating to 1902 (p. 2), current data, and interviews with local experts.
- o. All applicable state, county and City permits will be obtained and complied with, including the City's Riparian Corridor Overlay (RCO).

KEY ELEMENTS – BUDGET

- A. The restoration plan gives an approximate price range by acre by recommended habitat type (up front costs, see detailed table above). It also identifies future needs for monitoring, evaluation, and maintenance to control for weeds and protect the environment for migratory birds and native vegetation (on-going costs, see detailed table above).
- B. The current budget for the RAC includes \$60,900 for the riparian area restoration. The total estimated cost for the riparian area restoration as recommended by the consultants is estimated to be between \$514,000 and \$915,000 depending on mix of habitat type.
- C. The City’s consultant recommends that the City phase implementation of this Restoration Plan, regardless of budget availability. More detail on exact costs and phasing will be available at the Council’s work session briefing.
- D. The recommended first phase of the restoration plan is approximately \$60,900, and is covered in the existing budget for the Regional Athletic Complex.
- E. The Council may wish to discuss a strategy for funding future phases at a later date, or may wish to consider amending the budget to fund the full restoration up front.

POTENTIAL MOTION

["I move that the Council"] :

- *Adopt/not adopt* a resolution adopting the Restoration Plan as presented by the Administration and SWCA Environmental Consultants
AND/OR
- *Adopt/not adopt* the budget amendment item A-1 relating to the expenditure budget for the Regional Athletic Complex, and authorize the City Treasurer to proceed and sell the General Obligation bonds.
AND/OR
- **(Option identified by Council Staff)** Further amend the budget and add \$X from fund balance for the purposes of executing the proposed restoration plan. These funds shall be held in a separate capital improvement project account to ensure they will be used only for corridor restoration.
AND/OR
- **(Option identified by Council Staff)** I move that all cost savings from the project be reported to the Council prior to any scope expansion or change so that the Council can appropriately weigh whether those cost savings should be allocated to restoration.

UPDATE ON THE PLANS FOR THE FACILITY

The Administration recently informed Council staff that a number of unforeseen costs and more detailed design data, forced the Administration to reconfigure the facility to try to stay within the \$22.8 million total budget. The additional costs are as follows (amounts are approximate):

- \$800,000 – construction manager (unplanned)
- \$500,000 – Administration Building – 3,000 square feet – Administration had previously planned to have these offices elsewhere. Since conducting more research on comparable facilities, the Administration has indicated it is necessary for the success of the project for managers to be on-site.
- \$500,000 – Water Well – unanticipated
- \$200,000 – unanticipated Public Utilities fees

- \$300,000 – increased earthwork based on more detailed site surveys
- \$1 million – unforeseen needed site utilities based on more detailed design work (irrigation, lighting, drainage)

The result of these changes have caused the Administration to have to re-think constructing 2 baseball fields as a part of Phase 1 of the project because they are much more expensive to construct than soccer fields, and two baseball fields ultimately does not achieve the critical mass of fields needed to support an expansive recreation program. The two baseball fields cost \$800,000, compared to two soccer fields which cost \$209,000. The Administration did find savings in other site configurations (reducing lighting, reducing pavement, etc), **but ultimately is recommending eliminating the baseball fields from Phase 1, and constructing all 8 (potentially) baseball fields as a part of Phase 2.** The Administration indicates that it would not advise to remove soccer fields to achieve the savings because it would then reduce the City’s ability to meet the public’s demand for sports fields, and jeopardize the economic viability of the complex as a tournament site.

The Administration did find enough savings to add an additional 2 soccer fields to Phase 1 (\$209,000), and convert one central grassy area to a temporary soccer field (at the location where a potential indoor facility could be located). Earlier this year Phase 1 had 13 soccer fields and 2 baseball fields. The revised plan to fit in the current budget consists of 16 soccer fields (15 game fields and 1 championship field).

The Council may wish to discuss this change and advise the Administration if it has concerns.

The Council may also wish to consider the addition of fields (and budget needed to do so) in context with the budget needed to complete the Restoration Plan. The Council may wish to have a policy discussion weighing the addition of fields to Phase 1 of the Complex vs. directing those funds toward implementing the Restoration Plan.

RECENT BACKGROUND

On January 12, 2010, the Council made the following motion with regard to the process of finalizing plans for the Regional Athletic Complex:

["I move that the Council"] Adopt the budget amendment items A-13&14, relating to the Regional Athletic Complex, as revised:

- *\$41,044 in expenditure funds to cover the remaining costs associated with the Concept Plan; and*
- *\$22.7 million in revenue funds*
- *\$2 million in expenditure authority to cover initial pre-design, restoration plan development and construction drawings,*
- *The release of the second portion of funding (\$20.7 million) is contingent upon the Administration completing the following:*
 - *Presenting a detailed restoration plan to the Council that maximizes the ecological benefit for the riparian habitat within reasonable constraints assuming the Regional Sports Complex will be at approximately 2200 North and the Jordan River. The Council recognizes that this plan that could require an increase in the buffer as currently conceived and/or a reconfiguration of fields, if the City’s consultants find it necessary. The Council also recognizes that additional property acquisition may be necessary.*
 - *It is the Council’s intent to join with the administration to convene a half-day session with an invited group of individuals with relevant professional-academic credentials to seek their input on a draft of this restoration plan.*

The following was provided for the Council's work session on January 5th, 2010 in regard to the previous Budget Amendment Request for this project. It has been provided again for reference.

COUNCIL ACTION REQUESTED

1. **Expenditure Authority** - The Administration has requested the Council add two items to the proposed budget amendment in order to facilitate the construction of the Regional Sports Complex at the site located at approximately 2200 North along the Jordan River:
 - a. \$41,044 - expenditure authorization to cover the remaining costs associated with the Concept Plan. *These funds are proposed to come from CIP cost overrun account.*
 - b. \$22.7 million - revenue and expenditure authorization to pursue Phase I build-out of the Regional Sports Complex. *These funds are proposed to come from the \$15.3 million voter-approved GO Bond, and the \$7.5 million letter of credit from Real Salt Lake. See Key Elements item C for more information relating to this topic.*
2. **Parameters Resolution for Bond Issuance** - The Administration has also forwarded the necessary paperwork and requested that the Council approve a Parameters Resolution for the issuance of the Sports Facility GO Bonds approved by voters in 2003 for the construction of the facility. The Administration would like the Council to adopt the Parameters Resolution **on January 12**, and hold a public hearing on February 2.

KEY ELEMENTS

- A. The Administration has asked and is recommending that the Council authorize the full expenditure budget of a Phase I build-out (\$22,688,093).
- B. The Council may wish to discuss authorizing smaller amounts on a regular basis based upon need in order to maintain budgetary oversight of the project. *Council Staff would appreciate direction from the full Council regarding this idea.*
 - a. Once the Council gives the Administration expenditure authority, there is no statutory requirement for the Administration to involve the Council in decisions made after that point, unless additional budget is needed.
 - b. The Council may wish to consider a template for smaller segments of budget authorizations, as there are a number of large projects on the horizon for the City, that the Council may wish to have continued oversight.
 - c. Should capital projects run over budget the Council is responsible to address the issue.
 - d. There is a public expectation that the City Council exercise oversight when authorizing large sums of money.
- C. At this point the Administration is proposing Phase I build-out only, because funding for Phase II build-out will likely not be identified until possibly later in the year. The Administration is in discussions with Salt Lake County about a possibility for a funding partnership for Phase II of the project. **See chart below for a breakdown of budget and components for each project phase.**

Phase	Cost	Funding	Components
Phase I	\$ 22,688,093	\$22.8m Funding Identified: \$15,300,000 GO Bond	13 Soccer Fields 2 Baseball fields 970 Parking Stalls 6.5 Acre central open space 452 trees

		\$7,500,000 RSL Contribution <i>Note: the Administration recognizes that funding available actually exceeds cost, and will balance out the project as it goes forward.</i>	3 Restrooms 23 Acre Natural Preserve along river (101 to 350 feet wide along the river, and average distance of 223 feet from the river).
Phase II	\$ 17,245,859	Funding TBD	4 Soccer Fields 2 Baseball Fields 800 Parking Stalls 428 trees 2 Restrooms Access Road from Redwood Rd.
Total	\$ 39,933,952	<i>Phase I Funding Identified only</i>	17 Soccer Fields 4 Baseball fields 1770 Parking Stalls 6.5 Acre central open space 5 Restrooms 880 trees 23 Acre Natural Preserve along river

Note: See maps and detailed budget breakdown included with the Administration's transmittal.

D. The following are key elements of the project, as outlined in the Administration's transmittal:

a. **Project Scope:**

1. The original scope as presented to voters included 25 Soccer/Multi-use fields and 8 Baseball/Softball fields. The current full build-out (Phase I and II) contemplates 17 Soccer Fields and 4 Baseball fields.
2. The Administration has noted a number of issues contributed to the reduction in scope:
 - The original scope contemplated using 190 acres. After final survey work was completed, only 160 acres was transferred.
 - The original cost estimations for the bond election were completed in a short time frame, and were underestimated.
 - Further concept and site orientation planning, and considerations for well-designed open space refined the number of fields possible.
 - The City's riparian corridor ordinance was not in effect at the time of the bond election, and a 23 acre buffer between the fields and the river was not originally contemplated. This further reduced the "usable" site acreage.
3. The Administration acknowledges that funding is only secured for Phase I of the project (see components for Phase I in table above), further reducing the scope. Phase I build-out will not develop all of the acres of the site.
4. The Administration acknowledges that Phase II will only be built if an outside funding source is secured. The transmittal notes that The City is in active negotiations with SL County as a potential funding partner for Phase II.

b. **Environmental Issues:**

1. The Administration has provided a fact sheet detailing the Environmental Stewardship aspects of the Regional Sports Complex (**see attached**), specifically how the project follows and relates to the Jordan River Blueprint guidelines.
 2. The project includes 23 acres along the river that will restore, preserve and expand the existing riparian habitat. This will be completed as a part of Phase I of the project. This area, on the West side of the Jordan River, will be an average of 223 feet wide (101 feet at its narrowest and 350 feet at its widest), and will comply with and exceed the requirements of the City's riparian corridor ordinance.
 3. The Jordan River Blueprint document has identified this area has having opportunities for recreation as well as "silver level" preservation and restoration. Silver level areas are recommended to have 100-200 foot buffers. The Administration believes that the current plan for the sports complex is in keeping with the vision of the Jordan River blueprint.
 4. The complex has been designed to meet and exceed FEMA floodplain rules.
 5. The complex has incorporated a number of sustainable-design features including on-site stormwater management (to protect Jordan River water quality), limiting hardscape elements (less than 15% of the site), efficient irrigation to allow for the use of non-potable water in irrigation, and lighting shielding to protect wildlife and adjacent property owners from light pollution.
 6. The City has secured an additional \$1.3 million to enhance the trail along the east side of the River through the property to the Davis County line. The Administration is aware that Davis County will also be completing the trail link through Davis County to the Legacy Parkway trail.
- c. **Real Salt Lake (RSL) Gift Agreement** – Pursuant to their gift agreement in 2007, RSL is contractually obligated to contribute \$7.5 million towards the construction of the complex.
1. The letter of credit referenced in the gift agreement has an expiration date of December 31, 2010. The city must issue the bonds and commence construction in order to satisfy the terms of the letter of credit and begin drawing funds.
 2. Pursuant to the Gift agreement, the RSL funds can only be used for construction of the "Proposition 5 Facility" and refers to the facility as a "multiple-purpose regional sports, recreation and education complex to be built in Salt Lake County at 2000 North between Redwood Road and I-215. It does not reference a specific number of fields. *Note: The gift agreement would need to be re-negotiated if a different site were selected.*
- d. **Participation with the County** –
1. The City is in active negotiations with SL County to become a funding and operations partner in the facility. The Administration fully supports the concept of the County as a funding and management partner in the facility.

2. The County has often participated in funding for recreation facilities located in Salt Lake City (Fairmont Aquatic Center, Steiner Aquatic, Central City and Northwest Recreation Centers).
3. It is possible that the County and City would enter into a Operating and Management Agreement, which would define a governing board as well as the day-to-day responsibilities of each entity. The Administration is proposing the creation of a "Salt Lake Sports Authority board" to create rules, regulations and policies to govern the management, programming and operation of the complex.
4. The Administration is contemplating an arrangement where the county would be fully independent in operating the facility, and would pay for all operations cost from program revenues. Cost that are not covered by operating revenues would be shared on a 50/50 basis by the City and county. The terms of the agreement are still up for discussion. *The Council may wish to ask the Administration if this would be the operating agreement if only Phase I were constructed.*

e. Business Plan -

1. At the time of the 2003 Bond Initiative, the Administration calculated that the facility would very likely require a \$257,000 yearly annual subsidy in order to operate.
2. Now that the scope has been further defined, the business model and proformas has been updated.
3. The pro-formas (which contemplate Phase I and II build-outs separately) include expenses for staffing, maintenance and equipment, and contemplate the following breakdown for playing time and field usage:
 1. Competitive game use - 60% of available field time
 2. Recreation - 30% of available field time
 3. Tournament Use - 10% of available field time
4. Fields will also be given a time to "rest" in order to extend the useful life of the grass. The percentage of "rest time" will be better defined as a programming plan becomes more solid and the Salt Lake Sports Authority makes their recommendations. The revenue and expense models used a range of 0% to 50% rest time in order to calculate a subsidy range. The likely scenario is 25% rest time (75% utilization).
5. Subsidies will change as programming and operations decisions become more defined, but the Administration has provided the following estimates for potential subsidies.

Potential Operating Subsidy (assuming 75% field utilization)			
	Phase I	Phase I (with more lighted fields)	Phase II (full build-out)
Revenue	\$ 609,450	\$ 737,850	\$ 1,474,263
Expense	\$ (770,711)	\$ (783,785)	\$ (1,450,595)
Operating Subsidy	\$ (161,261)	\$ (45,935)	\$ 23,668

- f. Consultants – The Administration has retained MGB&A, a local landscape architecture firm, and CHA Sports, a nationally recognized architecture firm, as consultants and architects for the project.
- E. The following is a rough timeline of key decision points in the creation of the proposed Regional Sports Complex:
- **November 2003** – voters approved a \$15.3 million bond, with a requirement for a \$7.5 million match.
 - **November 2005** – City and the Division of State Parks entered into a Memorandum of Understanding that would allow the state to transfer ownership of up to 190 acres along the Jordan River (approximately 2200 North).
 - **2006** – The City Council appropriated \$350,000 for consulting and engineering fees, for the preparation of a schematic design, cost analysis, concept plan, and environmental analysis for the State Park site.
 - **2007** – Real Salt Lake gave the City the full \$7.5 million match in the form of a letter of credit, for the purposes of constructing the facility.
 - **2007** – After completion of the initial concept plan and cost analysis, the City became aware that the original scope presented to voters is not feasible given the final site size (160 acres), and budget. The concept plan is then broken down into smaller phases, to enable the City to work within the budget authorized by voters.
 - **September 2009** – The Council voted to authorize \$2.5 million for the purchase of land adjacent to the State Parks Division site, to enable future phases of the Sports Complex project, should funding be identified.
 - **October 2009** – The City’s MOU with the Division of State Parks was finalized, and after surveys were completed, the State transferred 160 acres of property to the City (the original estimate of 190 acres was over-estimated because no formal survey work had been completed at the time)

Potential Future Timeline:

- **January 2010** – Administration requests that the Council approve \$41,044 to cover expenditures relating to the concept plan and cost estimating, as well as a full construction budget of \$22.8 million.
- **January 12, 2010** – The Administration requests that the Council approve the Parameters resolution which would set a not-to-exceed amount, and call for a public hearing for the proposed GO bond issue.
- **February 2, 2010** – The Administration requests that the Council hold a public hearing relating to the issuance of bonds.
- **Spring 2010**- The Administration plans on requesting that the Council act to issue the bonds. The Administration is proposing to schedule the issuance of bonds along the same schedule as the Public Safety Building bonds.
- **April 2010** – The Administration plans on beginning construction at this point.

MASTER PLAN/POLICY CONSIDERATIONS

- A. The property currently selected for development of the Regional Sports Complex is partly in unincorporated Salt Lake County, and partly within the current municipal boundaries of Salt Lake City. The portion of the property immediately adjacent to the River, within SLC Municipal boundaries is already zoned Open Space (OS). However, a majority of the property is currently zoned Light Manufacturing (M-1). The Council will need to act on both the annexation of the remainder of the property as well as the re-zoning of the property to OS before physical construction commences.

- B. Currently there is no statutory requirement for the Council to “choose” a site by vote, for any project authorized by the voters. The Council’s authority is in regard to budget, whether to place items on a ballot for consideration, and whether to issue bonds. It is staff’s understanding that based upon case-law final site selection and purchase is an administrative function.
- a. The Council has voted in the past (2006, Budget Amendment #1 of FY 2010) to authorize expenditures for pre-construction design and planning work, as well as funds for the purchase of adjacent property.
 - b. *The Council may wish to consider establishing a policy or ordinance change that would add a step in future large projects whereby the Council would consider adopting a resolution recognizing the Administration’s final site selection.*
- C. Council Resolution #13 of 2009 (adopted by the Council in February 2009) indicates support of the Goals and Initiatives as outlined in the “Blueprint Jordan River” plan. The resolution states the following:
“The Salt Lake City Mayor and City Council, hereby commit to support the goals and visions of Blueprint Jordan River, and to become active participants in the plans of Blueprint Jordan River by:
1. *Preserving as open space all land within the Jordan river corridor which is currently zoned as open space;*
 2. *Considering modifying zoning ordinances to assure that any development within the Jordan River corridor is compatible with Blueprint recommendations;*
 3. *Considering participation in cooperative efforts to fund open space acquisition, trail development, and habitat restoration where practical;*
 4. *Selecting representatives to serve as members of a commission or board to oversee continued progress toward realization of all goals and visions of Blueprint Jordan River.”*
- D. The City Attorney’s Office has reviewed the language of the resolution and indicates that because the resolution is at a general level, it would not necessarily grant any legal status or zoning-equivalent classification on an individual property level. The Administration indicates that because this land will be developed as “open space,” with a large natural buffer between the fields and the river, that the proposed soccer complex is not necessarily in conflict with the goals and visions of the Blueprint Jordan River Plan.

The following was provided for the Council’s work session on September 8th in regard to the previous Budget Amendment Request for this project. It has been provided again for reference.

KEY ELEMENTS

- A. The Administration has prepared a briefing for the Council in order to straw poll support of an upcoming budget amendment request, in order to expedite the negotiations for both the transfer of 160 acres of State land to the City (\$500,000), and for the purchase of adjacent private property (\$2 million) not immediately related to the cooperative agreement with the state. This property is shown in the map provided by the Administration.
1. The State Parks Advisory Board has approved the Cooperative Agreement between the City and the State, which outlines the terms of the deal for the state’s 160 acres. Once the City can approve the deal, the transfer will become final. The

Administration and State could finalize this transfer as soon as September 10, 2009, depending on straw poll from the Council.

- i. The 160 acres is currently valued at \$500,000 (*approximately 7 cents/square foot*). The City is not required to compensate the state for this land until the end of a 5 year period.
 - ii. The terms of the deal allow the City to provide “in-kind” compensation (include elements in the project or purchase land that is desirable and/or advantageous for the State development to the north) in order to reduce the purchase amount.
 - iii. The City has identified a minimum of \$336,600 in elements that the City would pursue regardless, that could be counted against the cost of the land transfer, bringing the price for the State land down to \$163,400 (*approximately 2 cents/square foot*).
2. The Administration would also like to move forward in negotiations with certain adjacent properties, in order to provide the opportunity to phase in full development of the Regional Sports complex. In order to do this, the Administration is requesting an additional appropriation of \$2 million from the surplus land account.
- i. The Council may wish to note that in order to complete Phase 2 of the plan, adjacent properties would need to be purchased.
 - ii. These properties are not necessary for Phase 1 of the plan.
 - iii. Funds to finance Phase 2 of the plan (approximately \$16 million) have not been identified.
 - iv. Council Staff has inquired with the Administration if this part of the request can be held over to the budget amendment discussion on September 22nd, so the larger request can be considered in context with the rest of the budget (**See Matters at Issue C**).
- B. The current balance of the surplus land account is approximately \$7.3 million. Assuming certain City land sales go through, the balance of the surplus land account after this allocation would be \$5.3 million.

BACKGROUND AND PROJECT ELEMENTS/PHASING

- A. In November 2003, Salt Lake City voters approved a general obligation bond to support \$15.3 million for a “Regional Sports, Recreation and Education Complex.” The bond issuance was contingent upon receipt of \$7.5 million in matching funds. These funds could be raised from private organizations or other government entities. The Council indicated however, that the match must be in hand or “pledges satisfactory to the City” before bonds can be issued. Since then, Real Salt Lake has pledged \$7.5 million to contribute to this project, as the matching funds.
- B. The project is separated into two phases (see attached map). The \$22.8 million Phase 1 (funded with the bond and Real Salt Lake contribution) includes:
1. 1,300 Parking Spaces
 2. 2 “Comfort Stations” (restrooms and concessions)
 3. 12 Soccer Fields (natural turf)
 4. 2 Baseball Fields
 5. Irrigation and landscaping, including irrigation pond

6. Maintenance Facility
 7. Nature corridor and trail development along the Jordan River
- C. Full build out of the facility according to the attached master plan (an additional \$16.2 million) would add:
1. 6 Soccer Fields (including potential championship stadium)
 2. 2 Baseball Fields
 3. 4 Softball Fields
 4. Additional parking
- D. The total cost of a fully-built facility is approximately \$39 million.
- E. Currently the entrance to the facility would be off of I-215 (east of the complex). The Master Plan calls for an eventual entrance off of Redwood Road at "Sports Park Boulevard," which would be funded through other sources at some point in the future, potentially in Phase 2, as budget allows.

MATTERS AT ISSUE

- A. The Council may wish to ask the Administration for a status update regarding the surplus land account, given other property acquisition plans in the City.
- B. The Council may wish to ask the Administration for a status update regarding the future management plan and business model of the Regional Sports Complex once open.
- C. The Council may wish to consider only straw polling the first part of the request, relating to the State Land Transfer, as that is time sensitive. Because the second part of the request relates to properties that would be needed only for Phase 2 of the overall project, the Council may have flexibility in terms of timing of a budget appropriation. Council Staff is confirming these timing needs with the Administration.

STRAW POLL

The Council may wish to straw poll the following items:

- Does the Council support the upcoming budget amendment request of up to \$500,000 from the surplus land account for the execution of the land transfer agreement with the state?
- Does the Council support the remainder of the upcoming budget amendment (\$2,000,000 from the surplus land account) for the administration to use in negotiations to purchase adjacent private property?


DANIEL A. MULE'
CITY TREASURER

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

SCANNED TO: *mayor*
SCANNED BY: *hays*
DATE: *10/22/2010*
RALPH BECKER



CITY COUNCIL TRANSMITTAL


David Everitt, Chief of Staff

Date Received: *10/22/2010*
Date sent to Council: *10/25/2010*

TO: Salt Lake City Council
JT Martin, Chair

DATE: October 22, 2010

FROM: Daniel A. Mulé, City Treasurer (535-6411) *DRAM*

SUBJECT: Resolutions Awarding the Sale and Authorizing the Issuance of General Obligation Bonds for the Regional Sports Complex and Public Safety Facilities Projects

DOCUMENT TYPE: Resolutions

RECOMMENDATION: That the City Council approves resolutions confirming the sale and authorizing the issuance of the above-referenced General Obligation Bonds to JP Morgan Chase Bank.

BUDGET IMPACT: None. Increased tax collections resulting from the issuance of voter authorized general obligation bonds for both projects will be sufficient to cover debt service costs for the period in which the bonds are outstanding.

BACKGROUND/DISCUSSION: *At the time of this packet's submission, a final determination had not been made as to which bond resolution (Regional Sports Complex Project Bond Resolution or Public Safety Facilities Project Bond Resolution) would be adopted on November 9, 2010 and which one would be adopted on December 7, 2010. This packet contains bond resolutions and purchase contracts for both projects.*

A Special Bond Election was held on November 4, 2003. Voters within Salt Lake City passed Proposition 5 authorizing the City to issue and sell general obligation bonds in an amount not to exceed \$15.3 million for the purpose of paying the costs of acquiring, constructing, furnishing and equipping a multi-purpose regional sports, recreation and education complex and related roads, parking and improvements (Regional Sports Complex Project). The City covenanted in a Special Bond Election Resolution adopted by the City Council on September 9, 2003 that "bonds authorized pursuant to City Proposition Number 5 (Regional Sports and Recreation Complex) shall only be issued if money or

pledges satisfactory to the City have been received for the facilities described in City Proposition Number 5 in an aggregate amount at least equal to Seven Million Five Hundred Thousand Dollars (\$7,500,000).” In 2009, the City received an Irrevocable Letter of Credit for \$7.5 million from Peoples National Bank, N.A. which satisfied the pledge requirement.

On November 3, 2009, voters within Salt Lake City authorized the City to issue and sell general obligation bonds in an amount not to exceed \$125 million for the purpose of financing the cost of providing a public safety administration and operations building, an emergency operations center, and related facilities. An initial \$25 million par amount of general obligation bonds was issued on April 29, 2010. The remaining \$100 million par amount will be included in this upcoming bond issue.

Separate Parameters Resolutions for the Public Safety Facilities Project and Regional Sports Complex Project were adopted on February 9, 2010. Separate public hearings for both projects were held on March 2, 2010.

Separate Series will be assigned to the bonds for each project (Series B and Series C) based on the order in which the bond resolutions are adopted. Through a request for proposal process that was conducted to select an underwriter(s) for these bonds, JP Morgan Chase Bank was selected based on their terms which included the option to privately place both series of bonds into their own portfolio rather than sell them through a public offering.

The Regional Sports Complex General Obligation Bonds will be issued with a 10-year par call. George K. Baum & Company and Zions Bank were selected as placement agents for this series of bonds only. The Public Safety Facilities General Obligation Bonds will be non-callable. There will be no placement agents for this series. Interest rates for each series of bonds will be set and locked in by JP Morgan Chase Bank on the morning of the date each bond resolution is adopted...one on November 9, 2010 and one on December 7, 2010.

Attached are drafts of the Final Bond Resolutions and Purchase Contracts for both series. Pricing Summaries showing the details of each of the sales as well as schedules showing the impact from the required tax levies on residential and commercial property owners will be provided on the day of each Council Meeting.

Attachments

cc: Gina Chamness, Boyd Ferguson, Rick Graham, David Hart, Gordon Hoskins, Kelly Murdock, Ed Rutan, Marina Scott

SALT LAKE CITY, UTAH

Resolution No. ____ of 2010

Authorizing the Issuance and Sale of

**\$15,300,000
General Obligation Bonds, Series 2010B**

Adopted November 9, 2010

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EXHIBIT 1 — FORM OF PURCHASE CONTRACT

RESOLUTION NO. _____ OF 2010

A Resolution confirming the sale and authorizing the issuance of \$15,300,000 General Obligation Bonds, Series 2010B of Salt Lake City, Utah; fixing the interest rates to be borne thereby; 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 and providing for related matters.

*** *** ***

WHEREAS, at the special bond election duly and lawfully called and held in Salt Lake City, Utah (the "*Issuer*"), on November 4, 2003 (the "*Bond Election*"), the issuance of bonds was authorized as follows:

(1) \$10,200,000 principal amount of general obligation bonds (the "*Proposition No. 1 Bonds*") was authorized for the purpose of paying the costs of acquiring, improving and renovating facilities for Hogle Zoo located at approximately 2600 East Sunnyside Avenue;

(2) \$10,200,000 principal amount of general obligation bonds (the "*Proposition No. 2 Bonds*") was authorized for the purpose of paying the costs of renovating, improving and preserving the old main library building and providing related facilities located at approximately 5th South Street and 2nd East Street to establish a science, culture and art education center currently known as The Leonardo;

(3) \$5,400,000 principal amount of general obligation bonds (the "*Proposition No. 4 Bonds*") was authorized for the purpose of paying the costs of acquiring and preserving open space, park and recreational lands and amenities;

(4) \$15,300,000 principal amount of general obligation bonds (the "*Proposition No. 5 Bonds*") was authorized for the purpose of paying the costs of acquiring, constructing, furnishing and equipping a multi-purpose regional sports, recreation and education complex and related roads, parking and improvements (the "*Project*"); and

(5) \$1,100,000 principal amount of general obligation bonds (the "*Proposition No. 6 Bonds*") was authorized for the purpose of paying the costs of improving and renovating Tracy Aviary located at approximately 589 East Street and 1300 South Street;

WHEREAS, the Issuer has not heretofore issued any of the Proposition No. 5 Bonds voted at the Bond Election;

WHEREAS, the Issuer has determined to authorize the issuance and sale at this time of \$15,300,000 principal amount of the Proposition No. 5 Bonds voted at the Bond Election to finance the Project;

WHEREAS, in satisfaction of Section 18 of Resolution No. 39 of 2003, adopted by the Issuer on September 9, 2003, the Issuer has previously found and determined that money or pledges satisfactory to the Issuer have been received for the Project, in an aggregate amount at least equal to Seven Million Five Hundred Thousand Dollars (\$7,500,000);

WHEREAS, the City Council of the City adopted a resolution on February 9, 2010 (the "*Parameters Resolution*"), approving the issuance of the Bonds, calling for the publication of a "*Notice of Bonds to be Issued*" and a "*Notice of Public Hearing*" and setting certain parameters for the Bonds;

WHEREAS, the *Notice of Bonds to be Issued* was (a) published pursuant to the Parameters Resolution on February 13, 2010, in *The Salt Lake Tribune* and the *Deseret News*, newspapers having general circulation in the City and (b) posted on the website created pursuant to Section 45-1-101 of the Utah Code;

WHEREAS, no action contesting the legality of the Bonds has been filed as permitted by Section 11-14-316 of the Act;

WHEREAS, in satisfaction of the requirements to Section 11-14-318 of the Utah Code, the City, on Tuesday, March 2, 2010, held a public hearing after due notice thereof to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the Project will have on the private sector; and

WHEREAS, the City has made arrangements for the purchase of the Bonds and the financing of the Project at favorable interest rates;

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 Local Government Bonding Act, Chapter 14 of Title 11 of 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.

“*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 Election*” means the special bond election duly and lawfully called and held in the Issuer on November 4, 2003, at which the issuance and sale by the Issuer of \$42,200,000 of general obligation bonds was authorized for the purpose of, among other things, the Proposition No. 1 Bonds, the Proposition No. 2 Bonds, the Proposition No. 4 Bonds, the Proposition No. 5 Bonds and the Proposition No. 6 Bonds, the results of which election were declared by the City Council of the Issuer, sitting as a Board of Canvassers, on November 10, 2003.

“*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, collectively, this Resolution of the Issuer adopted on November 9, 2010, and that certain resolution of the Issuer adopted on March 2, 2010, both 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 \$15,300,000 General Obligation Bonds, Series 2010B authorized by the Bond Resolution.

“*City Recorder*” means the duly qualified and acting City Recorder of the Issuer, or in the absence or disability of such person, such other official as shall be duly authorized to act in the City Recorder’s stead.

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

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

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

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

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

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

“*Mayor*” means the duly qualified and acting Mayor of the Issuer or in the absence or disability of such person, the duly qualified and acting Deputy Mayor of the Issuer.

“*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.

“*Placement Agents*” means the placement agents for the Bonds designated by Section 208(b) hereof.

“*Project*” means acquisition, construction, furnishing and equipping of a multi-purpose regional sports, recreation and education complex and related roads, parking and improvements.

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

“*Proposition No. 1 Bonds*” means \$10,200,000 principal amount of general obligation bonds authorized for the purpose of paying the costs of acquiring, improving and renovating facilities for Hogle Zoo located at approximately 2600 East Sunnyside Avenue.

“*Proposition No. 2 Bonds*” means \$10,200,000 principal amount of general obligation bonds authorized for the purpose of financing The Leonardo Project.

“*Proposition No. 4 Bonds*” means \$5,400,000 principal amount of general obligation bonds authorized for the purpose of paying the costs of acquiring and preserving open space, park and recreational lands and amenities.

“*Proposition No. 5 Bonds*” means \$15,300,000 principal amount of general obligation bonds authorized for the purpose of paying the costs of acquiring, constructing, furnishing and equipping a multi-purpose regional sports, recreation and education complex and related roads, parking and improvements.

“*Purchase Contract*” means the Purchase Contract dated as of November 9, 2010, between the Issuer and the Purchaser.

“*Purchaser*” means JPMorgan Chase Bank, N.A., of Salt Lake City, Utah, and its associates, as the initial purchasers of the Bonds from the Issuer.

“*Record Date*” means (a) 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, and (b) in the case of each redemption, such record date as shall be specified by the Bond Registrar in the notice of

redemption required by Section 207 hereof, *provided* that such record date shall be not less than fifteen (15) calendar days before the mailing of such notice of redemption.

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

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

“*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 Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of Fifteen Million Three Hundred Thousand Dollars (\$15,300,000). Such series of bonds shall be designated “*General Obligation Bonds, Series 2010B.*”

Section 202. Purpose. The Bonds are hereby authorized to be issued under authority of the Act for the purpose of financing the Project and paying the costs related to the issuance and sale of the Bonds.

Section 203. Issue Date. The Bonds shall be dated as of the date of issuance and delivery thereof.

Section 204. Bond Details. The Bonds shall mature on June 15, 2030, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the date of original issuance and delivery thereof, payable semiannually on December 15 and June 15 of each year, commencing June 15, 2011, and at the rate per annum of _____%.

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 aforesaid respective rates.

Section 205. Denominations and Numbers. The Bonds shall be issued as fully-registered bonds, without coupons, in the denomination of \$100,000 or any whole multiple of \$5,000 in excess of \$100,000. 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. 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. 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. The 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. Optional Redemption; Mandatory Sinking Fund Redemption; Redemption Price; Notice of Redemption. (a) The Bonds maturing on or after June 15, 2021, are subject to redemption prior to maturity, at the election of the Issuer, on June 15, 2020, 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 equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

(b) The Bonds shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in subsection (d) below, at a redemption price equal to the principal amount of each Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption. The amounts and due dates of the sinking fund installments for the Bonds are set forth in the following table:

<u>JUNE 15</u> <u>OF THE YEAR</u>	<u>SINKING FUND</u> <u>AMOUNT</u>
	\$

*

* Stated Maturity

(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 \$100,000 to be redeemed will be in the principal amount of \$100,000 or a whole multiple of \$5,000 in excess of \$100,000, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$100,000 denomination that is obtained by dividing the principal amount of such Bond by \$100,000.

(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, as of the Record Date, 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 on or prior to the Record Date. Each notice of redemption shall 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 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) 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.

(f) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 208. Sale of the Bonds; Purchase Contract; Placement Agents. (a) The Bonds authorized to be issued herein are hereby sold and delivered to the Purchaser upon the terms and conditions set forth in the Purchase Contract. The Mayor or the Deputy Mayor is hereby authorized, empowered and directed to execute and deliver the Purchase Contract on behalf of the City in substantially the form attached hereto as *Exhibit 1*, with such changes therein from the form hereto as are approved by the Mayor or the Deputy Mayor, his execution thereof to constitute conclusive evidence of such approval. The City Recorder or any Deputy City Recorder is hereby authorized, empowered and directed to affix the seal of the City, to attest such seal and to countersign the Purchase Contract.

(b) George K. Baum & Company and Zions Bank Public Finance are hereby designated as Placement Agents for the Bonds.

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 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 complete, authenticate and deliver the Exchange Bonds for the purpose of effecting transfers and exchanges of Bonds; *provided* that any Exchange Bonds 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 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 City Recorder 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 sale and to set aside \$_____ of the proceeds of sale of the Bonds for deposit into the Project Account, to be used for the purposes for which the Bonds are issued as set forth in Section 202 hereof.

Section 211. Further Authority. The Mayor 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 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) Project Account, to be held by the Paying Agent.

(b) Pending application for the purposes contemplated hereby, moneys on deposit in the Bond Account, the Depository Account and Project Account shall be invested as permitted by law in investments approved by the City Treasurer or other authorized officer of the Issuer.

(c) Amounts held in the Project Account shall be held by the Paying Agent and shall be disbursed by the Paying Agent to the Issuer upon receipt of a written request of the City Treasurer or any other authorized officer of the Issuer.

ARTICLE III

TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

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

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

(c) The Bond Registrar shall not be required to register the transfer of or exchange any Bond selected for redemption, in whole or in part, except the unredeemed portion of Bonds being redeemed in part. Upon surrender of any Bond redeemed in part only, the Issuer shall execute,

and the Bond Registrar shall authenticate and deliver to the Bondowner at the expense of the Issuer, a new Bond or Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series, designation, maturity and interest rate and of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

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

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

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

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

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondowners as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds that have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish to the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish upon request to the Issuer at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

ARTICLE IV

COVENANTS AND UNDERTAKINGS

Section 401. Covenants of Issuer. All covenants, statements, representations and agreements contained in the Bonds and all recitals and representations in the Bond Resolution are hereby considered and understood, and it is hereby confirmed that all such covenants, statements, representations and agreements are the covenants, statements, representations and agreements of the Issuer.

Section 402. 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 the 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 the Bond Resolution as the same become due and mature. The levy or levies herein provided for may thereupon be diminished to that extent. The sums herein provided for to meet the interest on the Bonds and to discharge the principal thereof when due are hereby appropriated for that purpose, and the required amount for each year shall be included by the Issuer in its annual budget and its statement and estimate as certified to the [County Council of Salt Lake County, Utah,] in each year. Principal or interest falling due at any time when there shall not be available from the proceeds of the levies described in this Section money sufficient for the payment of such principal or interest shall, to the extent of such deficiency, be paid from other funds of the Issuer available for such purpose. Such other funds shall be reimbursed when the proceeds of the levies become available.

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

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

Section 403. 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 V

FORM OF BONDS

Section 501. 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]

Registered

Registered

UNITED STATES OF AMERICA

STATE OF UTAH

COUNTY OF SALT LAKE

SALT LAKE CITY

GENERAL OBLIGATION BOND, SERIES 2010B

Number R-1

\$15,300,000

INTEREST RATE:

MATURITY DATE:

DATED DATE:

_____ %

June 15, 2030

_____, 2010

REGISTERED OWNER: JPMORGAN CHASE BANK, N.A.

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

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Utah (the "Issuer"), a duly organized and existing municipal corporation and a political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the "Principal Amount"), and to pay the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date identified above (the "Dated Date"), or unless, as shown by the records of the hereinafter referred to Bond Registrar, interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the interest rate per annum (calculated on the basis of a year of 360 days consisting of twelve 30-day months) identified above (the "Interest Rate"), payable semiannually on December 15 and June 15 in each year, commencing June 15, 2011, until payment in full of the Principal Amount, except as the provisions set forth in the hereinafter defined Bond Resolution with respect to redemption prior to maturity may become applicable hereto. 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 Bonds, Series 2010B of the Issuer (the "*Bonds*"), limited to the aggregate principal amount of Fifteen Million Three Hundred Thousand Dollars (\$15,300,000), dated as of the Dated Date, issued under and by virtue of the Local Government Bonding Act, Chapter 14 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 resolutions of the Issuer adopted on March 2, 2010 and November 9, 2010 (collectively, the "*Bond Resolution*"), after having been authorized at a special bond election held on November 4, 2003, in the Issuer by a vote of the qualified electors thereof, for the purpose of acquiring, constructing, furnishing and equipping a multi-purpose regional sports, recreation and education complex and related roads, parking and improvements and paying the costs related to the issuance and sale of the Bonds.

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 or redemption price 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 \$100,000 or any whole multiple of \$5,000 in excess of \$100,000.

The Bonds maturing on or after June 15, 2021, are subject to redemption prior to maturity, at the election of the Issuer, on June 15, 2020, 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 equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

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 registered owner of each Bond that is subject to redemption, at the address of such registered owner as it appears on the registration books kept by the Bond Registrar, or at such other address as is furnished in writing by such registered owner to the Bond Registrar, all as provided in the Bond Resolution. Each notice of optional redemption may 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.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in that notice shall become due and payable at the applicable redemption price on the redemption date therein designated. 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 that date, then from and after the redemption date interest on such Bonds shall cease to accrue and become payable.

Less than all of a Bond in a denomination in excess of \$100,000 may be so redeemed. In such case, upon the surrender of such Bond, there shall be issued to the registered owner thereof, without charge therefor, for the unredeemed balance of the principal amount of such Bond, registered Bonds of any of the authorized denominations, at the option of such owner, all as more fully set forth in the Bond Resolution. In selecting portions of any registered Bond that is of a denomination of more than \$100,000 for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$100,000 denomination that is obtained by dividing the principal amount of such Bond by \$100,000.

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 its the 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 _____ (manual signature)
Mayor

ATTEST AND COUNTERSIGN:

By _____ (manual signature)
City Recorder

[SEAL]

APPROVED AS TO FORM:

_____ (manual signature)
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 Bonds, Series 2010B 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 VI

MISCELLANEOUS

Section 601. 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 602. 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 603. 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 604. 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 605. Effective Date. This Bond Resolution shall take effect immediately.

(Signature page follows.)

ADOPTED AND APPROVED this 9th day of November, 2010.

SALT LAKE CITY, UTAH

By _____
Chair, City Council

[SEAL]

ATTEST:

By _____
Deputy City Recorder

APPROVED:

By _____
Mayor

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT 1

[ATTACH FORM OF PURCHASE CONTRACT]

\$15,300,000
GENERAL OBLIGATION BONDS, SERIES 2010B

SALT LAKE CITY, UTAH

PURCHASE CONTRACT

November 9, 2010

Salt Lake City, Utah
City and County Building
451 South State Street
Salt Lake City, Utah 84114-5462

Ladies and Gentlemen:

The undersigned, JPMorgan Chase Bank, N.A., its successors or assigns (collectively, the "*Purchaser*"), acting on its own behalf and the behalf of its successors or assigns and not as agent or fiduciary for you, hereby offers to purchase from Salt Lake City, Utah (the "*Issuer*" or "*City*"), all (but not less than all) of the \$15,300,000 General Obligation Bonds, Series 2010B of the Issuer (the "*Bonds*"). This offer is made subject to the Issuer's acceptance of this Purchase Contract on or before 11:59 p.m., Utah time, on the date hereof. Upon the Issuer's acceptance of this offer, it will be binding upon the Issuer and upon the Purchaser. Initially-capitalized terms used but not defined herein shall have the meaning assigned to them in the hereinafter-defined Bond Resolution, unless the context clearly requires otherwise.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. *Schedule A* attached hereto, which is incorporated by reference into this Purchase Contract, contains a brief description of the Bonds, the purchase price to be paid and the date of delivery and payment therefor (the "*Closing*"). The Bonds are authorized pursuant to (a) the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and other relevant provisions of law, (b) a special bond election held on November 4, 2003 (the "*Bond Election*") and (c) resolutions of the Issuer adopted on March 2, 2010, and November 9, 2010 (collectively, the "*Bond Resolution*"), for the purpose of paying the costs of acquiring, constructing, furnishing and equipping a multi-purpose regional sports, recreation and education complex and related roads, parking and improvements (the "*Project*").

2. The Issuer represents and covenants to the Purchaser that:

- (a) the Issuer has and will have on the date of Closing the power and authority (i) to enter into and perform this Purchase Contract, (ii) to adopt the Bond Resolution and (iii) to deliver and sell the Bonds to the Purchaser;

(b) the Issuer will take any and all actions necessary or appropriate to consummate the transactions described in the Bonds, this Purchase Contract and the Bond Resolution;

(c) the officers and officials of the Issuer executing this Purchase Contract, the Bonds and any other documents and certificates related thereto to be delivered at the time of Closing, have been or will have been duly appointed and are or will be qualified to serve as such officers and officials of the Issuer, and are or will be duly authorized to execute and deliver such documents on behalf of the Issuer;

(d) this Purchase Contract and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which the Issuer is subject or by which it is bound;

(e) no governmental or public agency approval, consent, permit or authorization other than the Bond Resolution is required in connection with the sale of the Bonds to the Purchaser;

(f) this Purchase Contract and the Bonds are and shall be at the time of the Closing legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors' rights;

(g) no litigation in the State of Utah or federal court has been served on the Issuer or is, to the knowledge of the Issuer, threatened against or affecting the Issuer or affecting the corporate existence of the Issuer or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Bond Resolution or this Purchase Contract, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and the delivery of this Purchase Contract, or the exclusion from gross income for federal income tax purposes of the interest on the Bonds, or contesting the Issuer's power to collect, receive and pledge the taxes pledged to the payment of the Bonds;

(h) the Issuer is not in breach of or in default under any existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is or may be bound, and no event has occurred or is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case, in any manner or to any extent that could have a material adverse effect on the financial condition of the Issuer, the operations of the Issuer or the transactions contemplated by this Purchase Contract, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or the Bond Resolution or in any way adversely affect the existence or powers of

the Issuer or the excludability from gross income for federal income tax purposes of interest on the Bonds;

(i) the Issuer's audited general purpose financial statements as of and for the fiscal year ended June 30, 2009, are a fair presentation of the financial position of the Issuer as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since June 30, 2009, there has been no material adverse change in the condition, financial or otherwise, of the Issuer from that set forth in the audited financial statements as of and for the period ended that date; and the Issuer has not incurred since June 30, 2009, any material liabilities, directly or indirectly, except in the ordinary course of its operations;

(j) the Issuer will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or results in such proceeds being applied in a manner other than as provided in the Bond Resolution;

(k) each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Purchaser in connection with the transactions contemplated by the Bond Resolution and this Purchase Contract, at or before the Closing, shall constitute a representation, warranty or agreement by the Issuer upon which the Purchaser shall be entitled to rely; and

(l) the Issuer is not currently, nor has it been at any time during the last five years, in default in the payment of the principal of or interest on any obligation issued by it.

3. The Purchaser does hereby represent that:

(a) We are a "bank" as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act").

(b) We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

(c) We are acquiring the Bonds for our own account or for the account of institutions that meet the representations set forth herein, and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and we have no present intention of reselling or otherwise disposing of the Bonds.

(d) As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Issuer and the Bonds, and have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we as a reasonable investor have requested of the Issuer as a result of

our having attached significance thereto in making our investment decision with respect to the Bonds, and we have had the opportunity to ask questions of and receive answers from individuals concerning the Issuer and the Bonds. We are able and willing to bear the economic risk of the purchase and ownership of the Bonds.

(e) We understand that the Bonds have not been registered with any federal or state securities agency or commission.

(f) We acknowledge that the Bonds are transferable only by notation on the registration books maintained by the Bond registrar and are freely transferable provided that the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations.

(g) We will provide to the Issuer at the Closing a certificate, in form and substance acceptable to the Issuer, to the effect that the representations of the Purchaser contained in this Paragraph 3 are true and correct as of the Closing.

4. As conditions to the Purchaser's obligations hereunder:

(a) From the time of the execution and delivery of this Purchase Contract to the date of Closing, there shall not have been, in the reasonable judgment of the Purchaser, any (i) material adverse change in the financial condition or general affairs of Issuer; (ii) event, court decision, proposed law or rule that may have the effect of changing the federal income tax incidents of the Bonds or the contemplated transactions; or (iii) any other material market disruption, including but not limited to international or national crisis, suspension of stock exchange trading, or banking moratorium materially affecting, in the Purchaser's opinion, the market price of the Bonds.

(b) At the Closing, the Issuer will deliver or make available to the Purchaser:

(i) the Bonds, in definitive form, duly executed;

(ii) a certificate from authorized officers of the Issuer, in form and substance acceptable to the Purchaser, to the effect that the representations of the Issuer contained in this Purchase Contract are true and correct when made and as of the Closing;

(iii) the approving opinion, dated the date of Closing, of Chapman and Cutler LLP, Bond Counsel, relating to the legality and validity of the Bonds and the excludability of interest on the Bonds from gross income of the holders thereof for federal income tax purposes, in form and substance acceptable to the Purchaser and addressed to the Purchaser;

(iv) an opinion, dated the date of Closing, executed by counsel to the Issuer, in form and substance acceptable to the Purchaser and addressed to the Purchaser;

- (vi) a certified copy of the Bond Resolution;
- (vii) an executed counterpart of this Purchase Contract;
- (viii) a transcript of all proceedings relating to the authorization and issuance of the Bonds; and
- (ix) such additional certificates, instruments and other documents (including, without limitation, those set forth on *Schedule A* hereto) as the Purchaser may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Purchaser.

5. The Issuer will pay the cost of the fees and disbursements of counsel to the Issuer, Purchaser's counsel and Bond Counsel; the cost of preparing and printing the Bonds; the fees of Wells Fargo Brokerage Services, LLC, as the financial advisor; the fees of the paying agent; and miscellaneous expenses of the Issuer incurred in connection with the offering and delivery of the Bonds.

The Purchaser will pay all direct "out-of-pocket" expenses incurred by the Purchaser, with the exception of the fees of Purchaser's counsel, and all costs relating to the wiring of federal funds to purchase the Bonds.

The obligation of the Issuer to pay the above-described expenses and fees, except the fees of Purchaser's counsel, shall survive termination of this Purchase Contract or the failure to consummate the transactions described herein. The Issuer shall have no obligation to pay the fees of Purchaser's counsel if this Purchase Contract is terminated prior to Closing.

6. This Purchase Contract is intended to benefit only the parties hereto, and the Issuer's representations and warranties shall survive any investigation made by or for the Purchaser, delivery and payment for the Bonds, and the termination of this Purchase Contract.

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

8. This Purchase Contract constitutes the complete and entire agreement between the Issuer and the Purchaser and all prior communications and correspondence between the Issuer and the Purchaser with respect to the subject matter of this Purchase Contract, whether written or oral, are hereby superseded by this Purchase Contract.

9. The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Contract as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

10. No waiver or modification of any one or more of the terms and conditions of this Purchase Contract shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

11. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of Utah.

12. REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES. The Purchaser represents that it has not: (1) 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; (2) 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; (3) 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 (4) 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.)

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By _____
Senior Vice President

Accepted on behalf of
SALT LAKE CITY, UTAH

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder

[SEAL]

SCHEDULE A

\$15,300,000
SALT LAKE CITY, UTAH
GENERAL OBLIGATION BONDS, SERIES 2010B

- I. Aggregate Principal Amount of the Bonds: \$15,300,000.
- II. Purchase Price of the Bonds: \$15,300,000.
- III. Maturity Date: _____, 20__
- IV. Interest Rate: _____%
- V. Redemption Features:

(a) The Bonds are subject to optional redemption as further described in the Bond Resolution.

(b) The Bonds are subject to redemption in part by operation of sinking fund installments, as provided in the Bond Resolution, at par, in the amounts and at the times as follows:

_____	PRINCIPAL	_____	PRINCIPAL
OF THE YEAR	AMOUNT	OF THE YEAR	AMOUNT
	\$		\$

*

* Final Maturity.

V. Closing Date: _____, 2010, or such other date as has been mutually agreed upon by the Issuer and the Purchaser.

VI. Other Terms: The Bonds shall have such other terms and provisions as are provided in the Indenture.

SALT LAKE CITY, UTAH

Resolution No. __ of 2010

Authorizing the Issuance and Sale of

**\$100,000,000
General Obligation Bonds, Series 2010C**

Adopted November 9, 2010

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EXHIBIT 1 — FORM OF PURCHASE CONTRACT

RESOLUTION NO. __ OF 2010

A Resolution confirming the sale and authorizing the issuance of \$100,000,000 General Obligation Bonds, Series 2010C of Salt Lake City, Utah; fixing the interest rates to be borne thereby; 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 and providing for related matters.

*** *** ***

WHEREAS, at the special bond election duly and lawfully called and held in Salt Lake City, Utah (the "*Issuer*"), on November 3, 2009 (the "*Bond Election*"), the issuance of \$125,000,000 principal amount of general obligation bonds was authorized for the purpose of, among other things, providing a public safety administration and operations building, an emergency operations center and related facilities (the "*Project*");

WHEREAS, the Issuer has heretofore issued \$25,000,000 of the bonds voted at the Bond Election;

WHEREAS, the Issuer has determined to authorize the issuance and sale at this time of \$100,000,000 principal amount of the bonds voted at the Bond Election to finance the Project;

WHEREAS, the City Council of the City adopted a resolution on February 9, 2010 (the "*Parameters Resolution*"), approving the issuance of the Bonds, calling for the publication of a "*Notice of Bonds to be Issued*" and a "*Notice of Public Hearing*" and setting certain parameters for the Bonds;

WHEREAS, the *Notice of Bonds to be Issued* was (a) published pursuant to the Parameters Resolution on February 13, 2010, in *The Salt Lake Tribune* and the *Deseret News*, newspapers having general circulation in the City and (b) posted on the website created pursuant to Section 45-1-101 of the Utah Code;

WHEREAS, no action contesting the legality of the Bonds has been filed as permitted by Section 11-14-316 of the Act;

WHEREAS, in satisfaction of the requirements to Section 11-14-318 of the Utah Code, the City, on Tuesday, March 2, 2010, held a public hearing after due notice thereof to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the Project will have on the private sector; and

WHEREAS, the City has made arrangements for the purchase of the Bonds and the financing of the Project at favorable interest rates;

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 Local Government Bonding Act, Chapter 14 of Title 11 of 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.

“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 Election” means the special bond election duly and lawfully called and held in the Issuer on November 3, 2009, at which the issuance and sale by the Issuer of \$125,000,000 of the Bonds was authorized for the purpose of, among other things, providing for the Project, the results of which election were declared by the City Council of the Issuer, sitting as a Board of Canvassers, on November 17, 2009.

“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, collectively, this Resolution of the Issuer adopted on November 9, 2010, and that certain resolution of the Issuer adopted on March 2, 2010, both 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 \$100,000,000 General Obligation Bonds, Series 2010C authorized by the Bond Resolution.

“*City Recorder*” means the duly qualified and acting City Recorder of the Issuer, or in the absence or disability of such person, such other official as shall be duly authorized to act in the City Recorder’s stead.

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

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

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

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

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

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

“*Mayor*” means the duly qualified and acting Mayor of the Issuer or in the absence or disability of such person, the duly qualified and acting Deputy Mayor of the Issuer.

“*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 Contract*” means the Purchase Contract, dated November 9, 2010, between the Issuer and the Purchaser pursuant to which the Bonds are to be sold by the Issuer to the Purchaser, in substantially the form attached hereto as *Exhibit 1*.

“*Project*” means providing a public safety administration and operations building, an emergency operations center and related facilities.

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

“*Purchaser*” means JPMorgan Chase Bank, N.A., Salt Lake City, Utah, and its associates, as the initial purchasers of the Bonds from the Issuer.

“*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.

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

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

“*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 Bonds of the Issuer is hereby authorized to be issued in the aggregate principal amount of One Hundred Million Dollars (\$100,000,000). Such series of bonds shall be designated “*General Obligation Bonds, Series 2010C*.”

Section 202. Purpose. The Bonds are hereby authorized to be issued under authority of the Act for the purpose of financing the Project and paying the costs related to the issuance and sale of the Bonds.

Section 203. Issue Date. The Bonds shall be dated as of the date of issuance and delivery thereof.

Section 204. Bond Details. The Bonds shall mature on June 15, 2030, and shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) from the date of original issuance and delivery thereof, payable semiannually on December 15 and June 15 of each year, commencing June 15, 2011, and at the rate per annum of _____%.

Each Bond shall bear interest from the interest payment date next preceding the date of registration and authentication thereof unless (a) it is registered and authenticated as of an interest payment date, in which event it shall bear interest from the date thereof, or (b) it is registered and authenticated prior to the first interest payment date, in which event it shall bear interest from its date, or (c) 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 aforesaid respective rates.

Section 205. Denominations and Numbers. The Bonds shall be issued as fully-registered bonds, without coupons, in the denomination of \$100,000 or any whole multiple of \$5,000 in excess of \$100,000. 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. 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. 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. The 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. Mandatory Sinking Fund Redemption; Redemption Price; Notice of Redemption. (a) The Bonds are not subject to call and redemption prior to maturity at the option of the Issuer.

(b) The Bonds shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in subsection (d) below, at a redemption price equal to the principal amount of each Bond or portion thereof to be redeemed, together with accrued interest to the date of redemption. The amounts and due dates of the sinking fund installments for the Bonds are set forth in the following table:

JUNE 15
OF THE YEAR

SINKING FUND
AMOUNT

\$

*

* Stated Maturity

(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 \$100,000 to be redeemed will be in the principal amount of \$100,000 or a whole multiple of \$5,000 in excess of \$100,000, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$100,000 denomination that is obtained by dividing the principal amount of such Bond by \$100,000.

(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, as of the Record Date, 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 on or prior to the Record Date. Each notice of redemption shall 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 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) 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.

(f) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 208. Sale of the Bonds; Purchase Contract. The Bonds authorized to be issued herein are hereby sold and delivered to the Purchaser upon the terms and conditions set forth in the Purchase Contract. The Mayor or the Deputy Mayor is hereby authorized, empowered and directed to execute and deliver the Purchase Contract on behalf of the City in substantially the form attached hereto as *Exhibit 1*, with such changes therein from the form hereto as are approved by the Mayor or the Deputy Mayor, his execution thereof to constitute conclusive evidence of such approval. The City Recorder or any Deputy City Recorder is hereby authorized, empowered and directed to affix the seal of the City, to attest such seal and to countersign the Purchase Contract.

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 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 complete, authenticate and deliver the Exchange Bonds for the purpose of effecting transfers and exchanges of Bonds; *provided* that any Exchange Bonds 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 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 City Recorder 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 sale and to set aside \$_____ of the proceeds of sale of the Bonds for deposit into the Project Account, to be used for the purposes for which the Bonds are issued as set forth in Section 202 hereof.

Section 211. Further Authority. The Mayor 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 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) Project Account to be held by the Paying Agent.

(b) Pending application for the purposes contemplated hereby, moneys on deposit in the Bond Account, the Depository Account and Project Account shall be invested as permitted by law in investments approved by the City Treasurer or other authorized officer of the Issuer.

(c) Amounts held in the Project Account shall be held by the Paying Agent and shall be disbursed by the Paying Agent to the Issuer upon receipt of a written request of the City Treasurer or any other authorized officer of the Issuer.

ARTICLE III

TRANSFER AND EXCHANGE OF BONDS; BOND REGISTRAR

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

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

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

Section 302. Exchange of Bonds. Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully-registered Bonds (which may be an Exchange Bond or Bonds pursuant to Section 209 hereof) of the same series,

designation, maturity and interest rate of other authorized denominations. The Bond Registrar shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. With respect to each Bond, no such exchange shall be required to be made (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such Bond.

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

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

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

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

ARTICLE IV

COVENANTS AND UNDERTAKINGS

Section 401. Covenants of Issuer. All covenants, statements, representations and agreements contained in the Bonds and all recitals and representations in the Bond Resolution are hereby considered and understood, and it is hereby confirmed that all such covenants, statements, representations and agreements are the covenants, statements, representations and agreements of the Issuer.

Section 402. 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 the 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 the Bond Resolution as the same become due and mature. The levy or levies herein provided for may thereupon be diminished to that extent. The sums herein provided for to meet the interest on the Bonds and to discharge the principal thereof when due are hereby appropriated for that purpose, and the required amount for each year shall be included by the Issuer in its annual budget and its statement and estimate as certified to the [County Council of Salt Lake County, Utah], in each year. Principal or interest falling due at any time when there shall not be available from the proceeds of the levies described in this Section money sufficient for the payment of such principal or interest shall, to the extent of such deficiency, be paid from other funds of the Issuer available for such purpose. Such other funds shall be reimbursed when the proceeds of the levies become available.

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

commingled with the general funds of the Issuer. The Bond Account and the Depository Account have been established primarily to achieve a proper matching of revenues and debt service on the Bonds. The Bond Account and the Depository Account shall be depleted at least once each year by the Issuer, except for a reasonable carryover amount not to exceed the greater of one year's earnings on the Bond Account or one-twelfth of the annual debt service on the Bonds.

Section 403. 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 V

FORM OF BONDS

Section 501. 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]

Registered

Registered

UNITED STATES OF AMERICA

STATE OF UTAH

COUNTY OF SALT LAKE

SALT LAKE CITY

GENERAL OBLIGATION BOND, SERIES 2010C

Number R-____

\$100,000,000

INTEREST RATE:

MATURITY DATE:

DATED DATE:

_____%

June 15, 2030

_____, 2010

REGISTERED OWNER: JPMORGAN CHASE BANK, N.A.

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

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Utah (the "Issuer"), a duly organized and existing municipal corporation and a political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the registered owner identified above, or registered assigns, on the maturity date identified above, upon presentation and surrender hereof, the principal amount identified above (the "Principal Amount"), and to pay the registered owner hereof interest on the balance of the Principal Amount from time to time remaining unpaid from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is registered and authenticated prior to the first interest payment date, in which event this Bond shall bear interest from the dated date identified above (the "Dated Date"), or unless, as shown by the records of the hereinafter referred to Bond Registrar, interest on the hereinafter referred to Bonds shall be in default, in which event this Bond shall bear interest from the date to which interest has been paid in full, at the interest rate per annum (calculated on the basis of a year of 360 days consisting of twelve 30-day months) identified above (the "Interest Rate"), payable semiannually on December 15 and June 15 in each year, commencing June 15, 2011, until payment in full of the Principal Amount, except as the provisions set forth in the hereinafter defined Bond Resolution with respect to redemption prior to maturity may become applicable hereto. 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 Bonds, Series 2010C of the Issuer (the "*Bonds*"), limited to the aggregate principal amount of One Hundred Million Dollars (\$100,000,000), dated as of the Dated Date, issued under and by virtue of the Local Government Bonding Act, Chapter 14 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 resolutions of the Issuer adopted on February 9, 2010 and November 9, 2010 (collectively, the "*Bond Resolution*"), after having been authorized at a special bond election held on November 3, 2009, in the Issuer by a vote of the qualified electors thereof, for the purpose of, among other things, providing a public safety administration and operations building, an emergency operations center and related facilities and paying the costs related to the issuance and sale of the Bonds.

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 or redemption price 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 \$100,000 or any whole multiple of \$5,000 in excess of \$100,000.

The Bonds are subject to mandatory sinking fund redemption as described in the Bond Resolution.

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 its the 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 _____ (manual signature)
Mayor

ATTEST AND COUNTERSIGN:

By _____ (manual signature)
City Recorder

[SEAL]

APPROVED AS TO FORM:

_____ (manual signature)
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 Bonds, Series 2010C 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 VI

MISCELLANEOUS

Section 601. 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 602. 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 603. 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 604. 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 605. Effective Date. This Bond Resolution shall take effect immediately.

ADOPTED AND APPROVED this 9th day of November, 2010.

SALT LAKE CITY, UTAH

By _____
Chair, City Council

[SEAL]

ATTEST:

By _____
Deputy City Recorder

APPROVED:

By _____
Mayor

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT 1

[ATTACH FORM OF PURCHASE CONTRACT]

\$100,000,000
GENERAL OBLIGATION BONDS, SERIES 2010C

SALT LAKE CITY, UTAH

PURCHASE CONTRACT

November 9, 2010

Salt Lake City, Utah
City and County Building
451 South State Street
Salt Lake City, Utah 84114-5462

Ladies and Gentlemen:

The undersigned, JPMorgan Chase Bank, N.A., its successors or assigns (collectively, the "*Purchaser*"), acting on its own behalf and the behalf of its successors or assigns and not as agent or fiduciary for you, hereby offers to purchase from Salt Lake City, Utah (the "*Issuer*" or "*City*"), all (but not less than all) of the \$100,000,000 General Obligation Bonds, Series 2010C of the Issuer (the "*Bonds*"). This offer is made subject to the Issuer's acceptance of this Purchase Contract on or before 11:59 p.m., Utah time, on the date hereof. Upon the Issuer's acceptance of this offer, it will be binding upon the Issuer and upon the Purchaser. Initially-capitalized terms used but not defined herein shall have the meaning assigned to them in the hereinafter-defined Bond Resolution, unless the context clearly requires otherwise.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. *Schedule A* attached hereto, which is incorporated by reference into this Purchase Contract, contains a brief description of the Bonds, the purchase price to be paid and the date of delivery and payment therefor (the "*Closing*"). The Bonds are authorized pursuant to (a) the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and other relevant provisions of law, (b) a special bond election held on November 3, 2009 (the "*Bond Election*") and (c) resolutions of the Issuer adopted on March 2, 2010, and November 9, 2010 (collectively, the "*Bond Resolution*"), for the purpose of, among other things, providing a public safety administration and operations building, an emergency operations center and related facilities (the "*Project*").

2. The Issuer represents and covenants to the Purchaser that:

- (a) the Issuer has and will have on the date of Closing the power and authority (i) to enter into and perform this Purchase Contract, (ii) to adopt the Bond Resolution and (iii) to deliver and sell the Bonds to the Purchaser;

(b) the Issuer will take any and all actions necessary or appropriate to consummate the transactions described in the Bonds, this Purchase Contract and the Bond Resolution;

(c) the officers and officials of the Issuer executing this Purchase Contract, the Bonds and any other documents and certificates related thereto to be delivered at the time of Closing, have been or will have been duly appointed and are or will be qualified to serve as such officers and officials of the Issuer, and are or will be duly authorized to execute and deliver such documents on behalf of the Issuer;

(d) this Purchase Contract and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which the Issuer is subject or by which it is bound;

(e) no governmental or public agency approval, consent, permit or authorization other than the Bond Resolution is required in connection with the sale of the Bonds to the Purchaser;

(f) this Purchase Contract and the Bonds are and shall be at the time of the Closing legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors' rights;

(g) no litigation in the State of Utah or federal court has been served on the Issuer or is, to the knowledge of the Issuer, threatened against or affecting the Issuer or affecting the corporate existence of the Issuer or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Bond Resolution or this Purchase Contract, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and the delivery of this Purchase Contract, or the exclusion from gross income for federal income tax purposes of the interest on the Bonds, or contesting the Issuer's power to collect, receive and pledge the taxes pledged to the payment of the Bonds;

(h) the Issuer is not in breach of or in default under any existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is or may be bound, and no event has occurred or is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case, in any manner or to any extent that could have a material adverse effect on the financial condition of the Issuer, the operations of the Issuer or the transactions contemplated by this Purchase Contract, or have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or the Bond Resolution or in any way adversely affect the existence or powers of

the Issuer or the excludability from gross income for federal income tax purposes of interest on the Bonds;

(i) the Issuer's audited general purpose financial statements as of and for the fiscal year ended June 30, 2009, are a fair presentation of the financial position of the Issuer as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since June 30, 2009, there has been no material adverse change in the condition, financial or otherwise, of the Issuer from that set forth in the audited financial statements as of and for the period ended that date; and the Issuer has not incurred since June 30, 2009, any material liabilities, directly or indirectly, except in the ordinary course of its operations;

(j) the Issuer will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or results in such proceeds being applied in a manner other than as provided in the Bond Resolution;

(k) each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Purchaser in connection with the transactions contemplated by the Bond Resolution and this Purchase Contract, at or before the Closing, shall constitute a representation, warranty or agreement by the Issuer upon which the Purchaser shall be entitled to rely; and

(l) the Issuer is not currently, nor has it been at any time during the last five years, in default in the payment of the principal of or interest on any obligation issued by it.

3. The Purchaser does hereby represent that:

(a) We are a "bank" as defined in Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act").

(b) We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Bonds to be able to evaluate the risks and merits of the investment represented by the purchase of the Bonds.

(c) We are acquiring the Bonds for our own account or for the account of institutions that meet the representations set forth herein, and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and we have no present intention of reselling or otherwise disposing of the Bonds.

(d) As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Issuer and the Bonds, and have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we as a reasonable investor have requested of the Issuer as a result of

our having attached significance thereto in making our investment decision with respect to the Bonds, and we have had the opportunity to ask questions of and receive answers from individuals concerning the Issuer and the Bonds. We are able and willing to bear the economic risk of the purchase and ownership of the Bonds.

(e) We understand that the Bonds have not been registered with any federal or state securities agency or commission.

(f) We acknowledge that the Bonds are transferable only by notation on the registration books maintained by the Bond registrar and are freely transferable provided that the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations.

(g) We will provide to the Issuer at the Closing a certificate, in form and substance acceptable to the Issuer, to the effect that the representations of the Purchaser contained in this Paragraph 3 are true and correct as of the Closing.

4. As conditions to the Purchaser's obligations hereunder:

(a) From the time of the execution and delivery of this Purchase Contract to the date of Closing, there shall not have been, in the reasonable judgment of the Purchaser, any (i) material adverse change in the financial condition or general affairs of Issuer; (ii) event, court decision, proposed law or rule that may have the effect of changing the federal income tax incidents of the Bonds or the contemplated transactions; or (iii) any other material market disruption, including but not limited to international or national crisis, suspension of stock exchange trading, or banking moratorium materially affecting, in the Purchaser's opinion, the market price of the Bonds.

(b) At the Closing, the Issuer will deliver or make available to the Purchaser:

(i) the Bonds, in definitive form, duly executed;

(ii) a certificate from authorized officers of the Issuer, in form and substance acceptable to the Purchaser, to the effect that the representations of the Issuer contained in this Purchase Contract are true and correct when made and as of the Closing;

(iii) the approving opinion, dated the date of Closing, of Chapman and Cutler LLP, Bond Counsel, relating to the legality and validity of the Bonds and the excludability of interest on the Bonds from gross income of the holders thereof for federal income tax purposes, in form and substance acceptable to the Purchaser and addressed to the Purchaser;

(iv) an opinion, dated the date of Closing, executed by counsel to the Issuer, in form and substance acceptable to the Purchaser and addressed to the Purchaser;

- (vi) a certified copy of the Bond Resolution;
- (vii) an executed counterpart of this Purchase Contract;
- (viii) a transcript of all proceedings relating to the authorization and issuance of the Bonds; and
- (ix) such additional certificates, instruments and other documents (including, without limitation, those set forth on *Schedule A* hereto) as the Purchaser may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Purchaser.

5. The Issuer will pay the cost of the fees and disbursements of counsel to the Issuer, Purchaser's counsel and Bond Counsel; the cost of preparing and printing the Bonds; the fees of Wells Fargo Brokerage Services, LLC, as the financial advisor; the fees of the paying agent; and miscellaneous expenses of the Issuer incurred in connection with the offering and delivery of the Bonds.

The Purchaser will pay all direct "out-of-pocket" expenses incurred by the Purchaser, with the exception of the fees of Purchaser's counsel, and all costs relating to the wiring of federal funds to purchase the Bonds.

The obligation of the Issuer to pay the above-described expenses and fees, except the fees of Purchaser's counsel, shall survive termination of this Purchase Contract or the failure to consummate the transactions described herein. The Issuer shall have no obligation to pay the fees of Purchaser's counsel if this Purchase Contract is terminated prior to Closing.

6. This Purchase Contract is intended to benefit only the parties hereto, and the Issuer's representations and warranties shall survive any investigation made by or for the Purchaser, delivery and payment for the Bonds, and the termination of this Purchase Contract.

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

8. This Purchase Contract constitutes the complete and entire agreement between the Issuer and the Purchaser and all prior communications and correspondence between the Issuer and the Purchaser with respect to the subject matter of this Purchase Contract, whether written or oral, are hereby superseded by this Purchase Contract.

9. The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Contract as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

10. No waiver or modification of any one or more of the terms and conditions of this Purchase Contract shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

11. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of Utah.

12. REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES. The Purchaser represents that it has not: (1) 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; (2) 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; (3) 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 (4) 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.)

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By _____
Senior Vice President

Accepted on behalf of
SALT LAKE CITY, UTAH

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder

[SEAL]

SCHEDULE A

\$100,000,000
SALT LAKE CITY, UTAH
GENERAL OBLIGATION BONDS, SERIES 2010C

- I. Aggregate Principal Amount of the Bonds: \$100,000,000.
- II. Purchase Price of the Bonds: \$100,000,000.
- III. Maturity Date: _____, 20__
- IV. Interest Rate: _____%
- V. Redemption Features:
 - (a) The Bonds are not subject to optional redemption.
 - (b) The Bonds are subject to redemption in part by operation of sinking fund installments, as provided in the Bond Resolution, at par, in the amounts and at the times as follows:

_____	PRINCIPAL	_____	PRINCIPAL
OF THE YEAR	AMOUNT	OF THE YEAR	AMOUNT
	\$		\$

*

* Final Maturity.

V. Closing Date: _____, 2010, or such other date as has been mutually agreed upon by the Issuer and the Purchaser.

VI. Other Terms: The Bonds shall have such other terms and provisions as are provided in the Indenture.