
M E M O R A N D U M

DATE: July 6, 2010
TO: City Council Members
FROM: Jennifer Bruno, Deputy Director
RE: Resolution relating to Tax and Revenue Anticipation Notes

Salt Lake City issues Tax and Revenue Anticipation Notes each year to assist with cash flow needs of the General Fund. Property taxes, one of the City's major sources of revenue, are primarily received in December. The City normally borrows funds to cover General Fund Operations in the months prior to receiving property taxes.

The federal government restricts the amount of borrowing (at the lower tax-exempt rates) to actual needs as determined by a formula. Based on the formula, the limit would be \$22.3 million for FY 2011. The City Treasurer is proposing to issue \$20 million for FY 2011 to meet the needs of the City.

The notes will be sold using the competitive method of sale, whereby the notes are awarded to the firm offering the lowest interest rate bid. Bids are scheduled to be opened the morning of June 13, 2010, at which time the final interest rate will be known. This item will be placed on the June 13th Council agenda to adopt a resolution authorizing the issuance and confirming the sale of the Notes for fiscal year 2011. On this night, the City Treasurer will provide the Council with a summary of the results of the sale including the number of bids received and the final net effective interest rate of the low bid.

By issuing Tax and Revenue Anticipation Notes, the City can sometimes earn income in the form of interest from the cash borrowed (cash that is not used earns interest at the Treasury pool rate). However, the overall interest rate environment in the last few years has made it so that interest income has not necessarily always exceeded interest expense (the expense of borrowing the money). Current estimates indicate that the low bid interest rate could be about 2.0%. For \$20 million issued, this translates into \$400,000 interest expense for the general fund. The Adopted budget for FY 2011 includes a \$420,000 line item to cover this expense. The final expense will be known at the time of sale, and the budget can be adjusted accordingly afterwards.

DANIEL A. MULE'
CITY TREASURER


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

RECEIVED
RALPH BECKER
MAYOR

JUN 17 2010

Salt Lake City Mayor

CITY COUNCIL TRANSMITTAL


David Everitt, Chief of Staff

Date Received: 06/17/2010
Date sent to Council: 06/17/2010

TO: Salt Lake City Council
JT Martin, Chair

DATE: June 16, 2010

FROM: Daniel A. Mulé, City Treasurer



SUBJECT: Tax and Revenue Anticipation Notes, Series 2010 (the *Tax Notes*)

STAFF CONTACT: Daniel A. Mulé, City Treasurer

DOCUMENT TYPE: Briefing/Discussion

RECOMMENDATION: That the City Council hold a discussion on July 6, 2010 and schedule the adoption of a resolution on July 13, 2010 authorizing the issuance and confirming the sale of \$20 million Tax and Revenue Anticipation Notes for fiscal year 2011.

BUDGET IMPACT: Current estimates provided by the City's financial advisor indicate that the City should expect a coupon of about 2.0%. Issuing \$20 million of Tax Notes at 2.0% would translate into interest expense for the General Fund of \$400,000. The Mayor's Recommended Budget includes a budget of \$420,000 for interest expense. Once the actual coupon is known, the budgets for interest expense, and interest income if needed, will be adjusted accordingly.

BACKGROUND/DISCUSSION: Tax Notes are short-term borrowing instruments (debt) issued for one year or less in anticipation of future tax collections. The purpose of the borrowing is to provide financial assistance to the City's General Fund during its "cash-poor" period until the major portion of property taxes is received, usually in December. The exact amount to be budgeted for interest expense will not be known until the Notes are sold on the morning of July 13, 2010, at which time the actual coupon will be determined. A Pricing Summary showing the details of the sale will be provided later that day for review at that evening's City Council Meeting, when the sale of the Notes is scheduled to be approved and the Note Resolution adopted.

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To assure compliance with applicable federal and state regulations, sizing restrictions are adhered to when determining an allowable principal amount of Notes to be issued, and actual cash flows relative to spend down requirements are regularly monitored to avoid rebate. Sizing restrictions allow for a maximum amount of \$22.3 million of Tax Notes to be issued. However, after a prudent analysis of the timing of expected receipts and disbursements included in the Mayor's Recommended Budget, I am recommending that \$20 million of Tax Notes be issued.

The attached documents are preliminary and subject to change.

Attachment

cc: Teresa Beckstrand, Gina Chamness, Boyd Ferguson, Gordon Hoskins, Marina Scott.

RESOLUTION NO. __ OF 2010

A RESOLUTION of the City Council of Salt Lake City, Utah, authorizing the issuance and confirming the sale of the \$20,000,000 Tax and Revenue Anticipation Notes, Series 2010, of Salt Lake City, Utah; providing for covenants to establish and maintain the excludability of interest on the Notes from gross income of the owners thereof for federal income tax purposes; and providing for related matters.

WHEREAS, a report has been made by the City Treasurer of Salt Lake City, Utah (the "City"), that it is necessary to raise the sum of \$20,000,000 for the purpose of meeting the current and necessary expenses of the City and for any other purpose for which funds of the City may be legally expended during the fiscal year beginning July 1, 2010 (the "Fiscal Year") until the taxes and other revenues for the Fiscal Year are collected, and that the sum can be raised without incurring any indebtedness or liability in excess of seventy-five percent (75%) of the taxes and other revenues of the City received in the fiscal year ending June 30, 2010, or in excess of ninety percent (90%) of the taxes and other revenues of the City estimated to be received in the Fiscal Year, or exceeding any limit of debt imposed by the Constitution or statutes of the State of Utah;

WHEREAS, a notice inviting bids either (1) electronically via the PARITY® electronic bid submission system ("PARITY®") or (2) facsimile transmission for the purchase of the City's \$20,000,000 Tax and Revenue Anticipation Notes, Series 2010 (the "Notes") has been advertised by publication of a Notice of Sale (the "Notice of Sale") electronically on PARITY® as well as in *The Bond Buyer*, a newspaper published in New York, New York, on July 6, 2010, and brought to the attention of potential purchasers, and the _____ () bids received pursuant to such notice have been tabulated as set forth on *Exhibit A* hereto;

WHEREAS, it has been found that the bid of _____, of _____ (the "Purchaser"), conforms to the parameters, deadlines and procedures set forth in the Notice of Sale and is the best bid received for the purchase of the Notes, resulting in the sale of the Notes at the lowest net effective interest cost, said bid (together with a list of bids received for the Notes) being attached in full as *Exhibit A* hereto;

WHEREAS, the Purchaser proposes in its bid to purchase the Notes at the price of \$_____ (consisting of the par amount of the Notes, plus original issue premium in the amount of \$_____, less a Purchaser's discount of \$_____), with the Notes to bear interest at the rate herein specified and to mature on June 30, 2011; and

WHEREAS, in the opinion of the City, it is in the best interests of the City that (a) the bid of the Purchaser be accepted, (b) the sale of the Notes to the Purchaser be ratified and confirmed, and (c) the execution and delivery of the Final Official Statement in substantially the form of the Preliminary Official Statement, as supplemented, attached hereto as *Exhibit B* (the "Final Official Statement") be authorized;

Now, Therefore, Be It Resolved by the City Council of Salt Lake City, Utah, as follows:

Section 1. In addition to the terms defined in the preambles hereto and unless the context shall otherwise require, as used in this Note Resolution the following terms shall have the following meanings:

“*Cede*” means Cede & Co., as nominee of DTC.

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

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

“*Continuing Disclosure Undertaking*” has the meaning assigned in Section 2(f) hereof.

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

“*Exchange Notes*” has the meaning assigned in Section 2(d) hereof.

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

“*Note Registrar*” has the meaning assigned in Section 3(a) hereof.

“*Owner*” means any registered owner of the Notes, as shown in the registration books of the City kept by the Note Registrar.

“*Participants*” has the meaning assigned in Section 3(f) hereof.

“*Paying Agent*” has the meaning assigned in Section 3(a) hereof.

“*Representation Letter*” means the City’s Blanket Issuer Letter of Representations, dated May 30, 1995.

Section 2. (a) The City shall issue the Notes in the aggregate principal amount of \$20,000,000 for the purpose of meeting the current and necessary expenses of the City, including the costs of issuing the Notes, and for any other purpose for which funds of the City may be legally expended during the Fiscal Year. The Notes shall be known as “*Salt Lake City, Utah Tax and Revenue Anticipation Notes, Series 2010,*” shall be dated the date of their initial issuance and delivery, shall bear interest (calculated on the basis of a year of 360 days consisting of twelve 30-day months) at the rate of ____% per annum from their date until paid, payable at maturity, and shall mature on June 30, 2011. The Notes shall be issued in fully-registered form only, in the denomination of \$100,000 or any whole multiple thereof. The Notes shall be numbered with the letter prefix “R-” and shall be numbered from one (1) consecutively upwards in order of issuance. The Notes shall not be subject to call and redemption prior to maturity.

Upon maturity, both principal of and interest on the Notes shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the office of the Paying Agent in Salt Lake City, Utah.

(b) The Notes shall be signed by the Mayor, countersigned by the City Treasurer and attested and countersigned by the City Recorder and shall have the official seal of the City impressed thereon. The Mayor is hereby empowered and directed to sign, the City Treasurer to countersign and the City Recorder to attest and countersign each of the Notes and to cause the official seal of the City to be impressed on each of the Notes. The acts of the Mayor, City Treasurer and City Recorder in so doing are and shall be the acts and deeds of the City.

(c) The Notes shall then be delivered to the Note Registrar for manual authentication. Only such of the Notes as shall bear thereon a certificate of authentication, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Note Resolution, and such certificate of the Note Registrar shall be conclusive evidence that the Notes so authenticated have been duly authenticated and delivered under, and are entitled to the benefits of, this Note Resolution and that the Owners of the Notes are entitled to the benefits of this Note Resolution. The certificate of authentication of the Note Registrar on any Note shall be deemed to have been executed by it if such Note is signed by the Note Registrar and the date of registration and authentication of the Note is inserted in the place provided therefor on the certificate of authentication.

(d) The Mayor, the City Treasurer and the City Recorder are authorized to sign, countersign, seal and attest from time to time, in the manner described above, Notes (the "Exchange Notes") to be issued and delivered for the purpose of effecting transfers and exchanges of Notes pursuant to Sections 3(b) and (c) hereof. At the time of the signing, countersigning, sealing and attestation of the Exchange Notes by the City, the payee and the principal amount shall be in blank. Upon any transfer or exchange of Notes pursuant to Sections 3(b) and (c) hereof, the Note Registrar shall cause to be inserted in appropriate Exchange Notes the appropriate payee and principal amount. The Note Registrar is hereby authorized and directed to hold the Exchange Notes, and to complete, authenticate and deliver the Exchange Notes, for the purpose of effecting transfers and exchanges of Notes; *provided* that any Exchange Notes authenticated and delivered by the Note Registrar shall bear the name of such payee as the Owner requesting an exchange or transfer shall designate; and *provided further* that, upon the delivery of any Exchange Notes by the Note Registrar, a like principal amount of Notes submitted for transfer or exchange shall be canceled. The signing, countersigning, sealing and attestation by the appropriate City officers and delivery to the Note Registrar of any Exchange Note shall constitute full and due authorization of such Note containing such payee and principal amount as the Note Registrar shall cause to be inserted, and the Note Registrar shall thereby be authorized to authenticate and deliver such Exchange Note in accordance with the provisions hereof.

(e) In case any officer whose signature shall appear on any Note (including any Exchange Notes) shall cease to be such officer before the issuance or delivery of such Note, such signature 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.

(f) The Mayor is hereby authorized, empowered and directed to execute and deliver, and the City Recorder to seal, countersign and attest, the Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*") in substantially the same form as now before the City Council and attached hereto as *Exhibit C*, or with such changes therein as the Mayor on behalf of the City shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the City as herein provided, the Continuing Disclosure Undertaking will be binding on the City and the officers, employees and agents of the City, and the officers, employees and agents of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Note Resolution, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Note to seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking.

(g) The City agrees to furnish all necessary documents and information required by note counsel with respect to the issuance, sale and delivery of the Notes.

Section 3. (a) The City Treasurer is hereby appointed the paying agent and note registrar for the Notes (respectively, the "*Paying Agent*" and "*Note Registrar*").

(b) (i) Any Note may, in accordance with its terms, be transferred, upon the registration books kept by the Note Registrar pursuant to Section 3(d) hereof, by the Owner thereof, in person or by such Owner's duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Note Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Note Registrar. The City, the Note Registrar and the Paying Agent may treat and consider the person in whose name each Note is registered in the registration books kept by the Note Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon and for all other purposes whatsoever.

(ii) Whenever any Note or Notes shall be surrendered for transfer, the Note Registrar shall authenticate and deliver a new fully-registered Note or Notes (which may be an Exchange Note or Notes pursuant to Section 2 hereof) of authorized denominations duly executed by the City, for a like aggregate principal amount. The Note Registrar shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

(c) Notes may be exchanged at the office of the Note Registrar in Salt Lake City, Utah, for a like aggregate principal amount of fully-registered Notes (which may be an Exchange Note or Notes pursuant to Section 2 hereof). The Note Registrar shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(d) This Note 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 Annotated 1953, as amended (the "*Utah Code*"). The Note Registrar shall keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the City; and, upon presentation for such purpose, the Note Registrar shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Notes as herein provided.

(e) The Note Registrar shall maintain a list of the names and addresses of the Owners of all Notes and, upon any transfer, shall add the name and address of the new Owner and eliminate the name and address of the transferor Owner.

(f) The Notes shall be initially issued in the form of a single, certificated and fully-registered note. Except as provided in Section 3(h) hereof, all of the outstanding Notes shall be registered in the registration books kept by the Note Registrar in the name of Cede.

With respect to Notes registered in the registration books kept by the Note Registrar in the name of Cede, the City, the Note Registrar and the Paying Agent shall have no responsibility or obligation to any broker dealer, bank or other financial institution from time to time for which DTC holds Notes as securities depository (such broker dealers, banks or other financial institutions are hereinafter referred to collectively as "*Participants*") or to any person on behalf of which a Participant holds an interest in the Notes. Without limiting the immediately preceding sentence, the City, the Note Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Notes, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the registration books kept by the Note Registrar, of any notice with respect to the Notes, or (iii) the payment to any Participant or any other person, other than an Owner as shown in the registration books kept by the Note Registrar, of any amount with respect to principal of or interest on the Notes. The City, the Note Registrar and the Paying Agent may treat and consider the person in whose name each Note is registered in the registration books kept by the Note Registrar as the holder and absolute owner of such Note for the purpose of payment of principal and interest with respect to such Note, for the purpose of registering transfers with respect to such Note and for all other purposes whatsoever.

The Paying Agent shall pay all principal of and interest on the Notes only to or upon the order of the respective Owners, as shown in the registration books kept by the Note Registrar, or their respective attorneys duly authorized in writing, as provided in Section 3(b) hereof, and all such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to payment of principal of and interest on the Notes to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Note Registrar, shall receive a certificated Note evidencing the obligation of the City to make payments of principal and interest pursuant to this Note Resolution. Upon delivery by DTC to the City of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the word "Cede" in this Note Resolution shall refer to such new nominee of DTC. Upon receipt of such a notice, the City shall promptly deliver a copy of the same to the Note Registrar and the Paying Agent.

(g) The City's prior execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 3(f) hereof or in any other way impose upon the City any obligation whatsoever with respect to Persons having interests in the Notes other than the Owners, as shown on the registration books kept by the Note Registrar. The City Treasurer, acting in his capacity as Paying Agent and Note Registrar hereunder is hereby authorized and directed to take all action necessary for all of DTC's operational arrangements pertaining to the Paying Agent and Note Registrar, respectively, in the Representation Letter to at all times be complied with.

(h) In the event that (i) the City determines that DTC is unable or unwilling to discharge its responsibilities described herein and in the Representation Letter, (ii) DTC determines to discontinue providing its service as securities depository with respect to the Notes at any time as provided in the Representation Letter or (iii) the City determines that it is in the best interests of the beneficial owners of the Notes that they be able to obtain certificated Notes, the City shall notify DTC and direct DTC to notify the Participants of the availability through DTC of note certificates, and the Notes shall no longer be restricted to being registered in the registration books kept by the Note Registrar in the name of Cede. At that time, the City may determine that the Notes shall be registered in the name of and deposited with such other depository operating a universal book-entry system as may be acceptable to the City, or such depository's agent or designee, and if the City does not select such alternate universal book-entry system, then the Notes shall no longer be restricted to being registered in the registration books kept by the Note Registrar in the name of Cede, but may be registered in whatever name or names Owners transferring or exchanging Notes shall designate, in accordance with the provisions of Sections 3(b) and (c) hereof.

(i) Notwithstanding any other provision of this Note Resolution to the contrary, so long as any Note is registered in the name of Cede, all payments with respect to principal of and interest on such Note and all notices with respect to such Note shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 4. The Notes shall be in substantially the form attached hereto as *Exhibit D*, with such insertions, omissions, endorsements and variations as the as may be required (including, but not limited to, such changes as may be necessary if the Notes at any time are no longer held in book-entry form as permitted by Section 3(h) hereof).

Section 5. All of the covenants, statements, representations, agreements and promises contained in the Notes and all recitals and representations in this Note Resolution shall be, and the same are hereby, adopted as the covenants, statements, agreements and promises of the City.

Section 6. The proceeds derived from the sale of the Notes shall be deemed allocated to the general fund of the City as needed to alleviate anticipated deficits in that fund arising from the timing of collection of taxes and other revenues of the Fiscal Year for that fund and shall be used solely for the purpose of meeting the current and necessary expenses of the City, including the costs of issuing the Notes, and for any other purpose for which funds of the City may be legally expended during the Fiscal Year. The Owners of the Notes shall not be responsible for the application of the proceeds thereof by the City or any of its officers.

Section 7. The full faith and credit of the City are pledged to the payment of the Notes. The City shall levy or cause to be levied for the Fiscal Year a tax, and there shall be levied and collected revenues other than taxes, that together shall be sufficient to pay the principal of and interest on the Notes as the same fall due. The Notes are issued in anticipation of the payment of such taxes and the collection of such revenues for the Fiscal Year.

Section 8. There is hereby irrevocably appropriated from the first collection of taxes and other revenues for the Fiscal Year a sufficient fund to pay the principal of and interest on the Notes as the same shall fall due, and all expenses in connection therewith and all collection and other charges incident thereto or connected therewith shall be paid by the City.

Section 9. The bid of the Purchaser for the purchase of the Notes, which is set out in full in *Exhibit A* hereto, shall be and the same is hereby accepted, it being hereby found, determined and declared after public advertisement for bids for the purchase of the Notes, that the Notes bear interest at the lowest net effective interest cost. To evidence the acceptance of the Purchaser's bid, the City Treasurer is hereby authorized and directed to execute and deliver the Purchaser's bid form.

(b) Under authority of the Local Government Bonding Act, Title 11, Chapter 14 of the Utah Code, the Notes shall be issued by the City for the purpose set forth in Section 2 hereof. The sale of the Notes to the Purchaser at the price of \$_____ (being the par amount of the Notes, plus \$_____ original issue premium less Purchaser's discount of \$_____) is hereby confirmed.

(c) The Final Official Statement of the City, in substantially the form of the Preliminary Official Statement, as supplemented, attached hereto as *Exhibit B*, with such changes, omissions, insertions and revisions as the Mayor shall deem advisable, is hereby authorized, and the Mayor shall sign and deliver such Final Official Statement to the Purchaser for distribution to prospective purchasers of the Notes and other interested persons.

(d) The Mayor, the Chief of Staff, the City Treasurer and the City Recorder 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 comply with the provisions of this Note Resolution and to carry out the transactions contemplated hereby; and the Mayor and the City Recorder are, and each of them is, hereby authorized and directed to sign, countersign, seal and deliver the Notes to the Purchaser, upon receipt of the purchase price therefor, as specified in the preambles hereto and as provided herein.

Section 10. (a) The Mayor, the City Recorder, the Chief of Staff, the City Treasurer and other appropriate officials of the City are each hereby authorized and directed to execute such certificates and agreements as shall be necessary to establish that the Notes are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "*Code*"), and applicable regulations promulgated or proposed thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised, and to establish that interest on the Notes is not and will not become includible in gross income of the Owners thereof for federal income tax purposes. The City covenants and certifies to and for the

benefit of the Owners from time to time of the Notes that (i) it will at all times comply with the provisions of any certificates or agreements made or entered into hereunder and (ii) no use will be made of the proceeds of the issue and sale of the Notes, or any funds or accounts of the City that may be deemed to be available proceeds of the Notes, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated), which use, if it had been reasonably expected on the date of issuance of the Notes, would have caused the Notes to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. Pursuant to this covenant, the City obligates itself to comply throughout the term of the Notes with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

(b) The City further covenants and agrees to and for the benefit of the Owners from time to time of the Notes that the City (i) will not take any action that would cause interest on the Notes to be or to become ineligible for the exclusion from gross income of the Owners of the Notes as provided in Section 103 of the Code, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause interest on the Notes to be or to become ineligible for the exclusion from gross income of the Owners of the Notes as provided in Section 103 of the Code, (iii) without limiting the generality of the foregoing, (A) will not take any action that would cause the Notes, or any Note, to be a “private activity bond” within the meaning of Section 141 of the Code or to fail to meet any applicable requirement of Section 149 of the Code and (B) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the Notes, or any Note, to be a “private activity bond” or to fail to meet any applicable requirement of Section 149 of the Code and (iv) 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 Notes, under present rules, the City may be treated as a “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. The Mayor, the City Recorder, the Chief of Staff, the City Treasurer and other appropriate officials of the City are each hereby authorized and directed to execute such certificates, representations and agreements as shall be necessary to establish that the Notes are not and will not become “private activity bonds,” that all applicable requirements of Section 149 of the Code are and will be met and that the covenants of the City contained in this Section 10 will be complied with.

(c) The City hereby covenants to take or cause to be taken such actions as shall be necessary to comply with the arbitrage rebate requirement imposed by Section 148(f) of the Code to preserve and maintain the excludability of interest on the Notes from gross income of the Owners thereof for federal income tax purposes and shall take such actions as are appropriate under the tax certificate relating to the Notes delivered on the date of original issuance thereof.

Section 11. All proceedings, resolutions and actions of the City and its officers, agents and representatives taken in connection with the sale and issuance of the Notes, including but not limited to the publication of the Notice of Sale in *The Bond Buyer* and the preparation and distribution of the Preliminary Official Statement and an Official Notice of Sale, are hereby ratified, confirmed and approved.

Section 12. All resolutions and orders or parts thereof in conflict with the provisions hereof are to the extent of such conflict hereby repealed.

Section 13. This Note Resolution shall become effective immediately upon its adoption.

(Signature page follows.)

ADOPTED AND APPROVED this 13th day of July, 2010.

SALT LAKE CITY, UTAH

By _____
Chair, City Council

[SEAL]

ATTEST:

By _____
City Recorder

APPROVED:

Mayor

APPROVED AS TO FORM:

Senior City Attorney

EXHIBIT A

[ATTACH COPIES OF WINNING BID AND LIST OF BIDS RECEIVED]

EXHIBIT B

[ATTACH FORM OF FINAL OFFICIAL STATEMENT]

EXHIBIT C

[ATTACH FORM OF CONTINUING DISCLOSURE UNDERTAKING]

EXHIBIT D

[FORM OF NOTE]

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

UNITED STATES OF AMERICA
STATE OF UTAH
SALT LAKE COUNTY

SALT LAKE CITY

TAX AND REVENUE ANTICIPATION NOTE, SERIES 2010

No. R-_____ \$20,000,000

INTEREST RATE MATURITY DATE DATED DATE CUSIP
_____ % June 30, 2011 _____, 2010 _____

REGISTERED OWNER:

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

KNOW ALL MEN BY THESE PRESENTS that Salt Lake City, Utah (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay to the registered owner identified above, or registered assigns, the principal amount identified above, upon presentation and surrender hereof, on the maturity date specified above, without option of redemption prior to maturity, and to pay to the registered owner identified above, or registered assigns, interest on such principal amount from the date of this Note (calculated on the basis of a 360-day year consisting of twelve 30-day months) at the rate per annum specified above from the dated date identified above (the "Dated Date") until paid, payable at maturity. Principal of and interest on this Note shall be payable upon presentation and surrender hereof at the City Treasurer's office located in Salt Lake City, Utah, as paying agent of the City, in any coin or currency of the United States of America that is legal tender for the payment of public and private debts at the time of payment.

This Note is one of an issue of \$20,000,000 of notes of like tenor and date, known as "Salt Lake City, Utah Tax and Revenue Anticipation Notes, Series 2010" (the "Notes"), issued under and pursuant to the Constitution and laws of the State of Utah, including particularly the applicable provisions of the Local Government Bonding Act, Chapter 14, Title 11, Utah Code Annotated 1953, as amended (the "Utah Code"), the Utah Registered Public Obligations Act, Chapter 7, Title 15 of the Utah Code, and a resolution of the City adopted on July 13, 2010 (the "Note Resolution").

The City Treasurer is the note registrar and paying agent of the City with respect to the Notes. Said note registrar and paying agent, respectively, is referred to herein as the "Note Registrar" and the "Paying Agent."

It is hereby covenanted, certified, recited and declared that this Note is issued in anticipation of the collection of taxes levied and other revenues for the current fiscal year of the City ending June 30, 2011 (the "Current Fiscal Year"), in evidence of money borrowed to meet the current and necessary expenses of the City, and for any other purpose for which funds of the City may be legally expended during the Current Fiscal Year, until payment of the taxes and other revenues for the Current Fiscal Year; that taxes have been levied and imposed and will be collected in the Current Fiscal Year on all taxable property within the City within the limit provided by law and, together with other budgeted revenues to be received during the current Fiscal Year, sufficient to pay principal of and interest on this Note as the same falls due and all budgeted expenses of the City for the Current Fiscal Year; and that a sufficient fund has been appropriated for the payment of the principal of and interest on this Note as the same shall fall due.

It is hereby further certified, recited and declared that the aggregate indebtedness incurred by the City for the Current Fiscal Year, including the Notes, is not in excess of either (i) seventy-five percent (75%) of the total of the taxes and other revenues levied and collected by or on behalf of the City in the fiscal year that ended June 30, 2010, or (ii) ninety percent (90%) of the total of the taxes and other revenues levied and to be collected by or on behalf of the City in the Current Fiscal Year.

This note is transferable, as provided in the Note Resolution, only upon the books of the City kept for that purpose at the office of the Note Registrar, in Salt Lake City, Utah, by the registered owner hereof in person or by such owner's attorney duly authorized in writing. Such transfer will be made upon surrender of this Note, together with a written instrument of transfer satisfactory to the Note Registrar, duly executed by the registered owner or such duly authorized attorney, and thereupon the City shall issue in the name of the transferee a new registered Note or Notes of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Note, all as provided in the Note Resolution and upon the payment of the charges therein prescribed. No transfer of this Note shall be effective until entered on the registration books kept by the Note Registrar. The City, the Note Registrar and the Paying Agent may treat and consider the person in whose name this Note is registered on the registration books kept by the Note Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal of and

interest due hereon and for all other purposes whatsoever, and neither the City, nor the Note Registrar nor the Paying Agent shall be affected by any notice to the contrary.

The Notes are issuable solely in the form of fully-registered Notes without coupons in the denomination of \$100,000 or any whole multiple of \$100,000.

It is hereby further certified, recited and declared that all acts, conditions and things essential to the validity of this Note exist, have happened and have been done, and that every requirement of law affecting the issue thereof has been duly complied with, and that this Note is within every debt and other limit prescribed by the Constitution and laws of the State of Utah. The full faith, credit, resources and all taxable property within the limits of the City are hereby irrevocably pledged to the levy of taxes for the Current Fiscal Year in which this Note is issued and for the collection of and proper allocation of such taxes and other revenues provided for the Current Fiscal Year to the prompt payment of principal of and interest on this Note and the issue of which it is one, according to its terms.

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

IN WITNESS WHEREOF, the City has executed this Note by causing it to be signed by its Mayor, countersigned by its City Treasurer and attested and countersigned by its City Recorder, and has caused the official seal of the City to be impressed hereon, all as of the Dated Date.

SALT LAKE CITY, UTAH

By _____
Mayor

COUNTERSIGN:

By _____
City Treasurer

ATTEST AND COUNTERSIGN:

By _____
City Recorder

[SEAL]

APPROVED AS TO FORM:

Senior City Attorney

[FORM OF NOTE REGISTRAR'S CERTIFICATE OF AUTHENTICATION]

This Note is one of the Notes described in the within-mentioned Note Resolution and is one of the Tax and Revenue Anticipation Notes, Series 2010, of Salt Lake City, Utah.

Salt Lake City Treasurer, as
Note Registrar and Paying Agent

Date of registration and authentication: _____, 2010.

[FORM OF ASSIGNMENT]

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

TEN COM	—	as tenants in common	UNIF TRANS MIN ACT —
TEN ENT	—	as tenants by the	_____ Custodian _____
entireties			(Cust) (Minor)
JT TEN	—	as joint tenants with right	under Uniform Transfers to Minors Act of
		of survivorship and not as	_____
		tenants in common	(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 Note of SALT LAKE CITY, UTAH, and hereby irrevocably constitutes and appoints

attorney to register the transfer of said Note 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 Note Registrar, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Note 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 Note in every particular, without alteration or enlargement or any change whatever.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 6, 2010

NEW ISSUE—Issued in Book-Entry Only Form

RATINGS: Moody's “___”
See “NOTE RATINGS” herein.

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

\$20,000,000**SALT LAKE CITY, UTAH****TAX AND REVENUE ANTICIPATION NOTES****SERIES 2010**

DATED: Date of Original Issuance and Delivery†

The \$20,000,000 Tax and Revenue Anticipation Notes, Series 2010, dated the date of original issuance and delivery thereof (the “Notes”), are issuable by Salt Lake City, Utah (the “City”) as fully-registered notes and, when initially issued, will be in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Notes. Purchases of Notes will be made in book-entry form only, in denominations of \$100,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC participants. “THE NOTES — Book-Entry System” herein.

Principal of and interest on the Notes are payable on June 30, 2011. The City Treasurer of the City will act as Paying Agent (the “Paying Agent”) and Note Registrar (the “Note Registrar”).

The Notes are not subject to optional redemption prior to maturity.

The Notes will be issued pursuant to applicable law in anticipation of the collection of taxes levied and yet to be collected for the City's fiscal year ending June 30, 2011 (the “Current Fiscal Year”). The full faith and credit of the City will be pledged to levy and collect sufficient taxes and other revenues for the Current Fiscal Year, and the City will covenant to irrevocably appropriate from the first collection of such taxes and other revenues pertaining to the Current Fiscal Year an amount sufficient to pay the principal of and interest on the Notes when due and all budgeted expenses of the City for the Current Fiscal Year.

Due	Principal Amount	Interest Rate	Yield	CUSIP
June 30, 2011	\$20,000,000	%	%	

The Notes will be awarded pursuant to competitive bidding to be held via the PARITY® electronic bid submission system on Tuesday, July 13, 2010, as set forth in the Official Notice of Note Sale (dated the date of this Preliminary Official Statement).

Wells Fargo Securities will act as Financial Advisor.

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

This Official Statement is dated July __, 2010, and the information contained herein speaks only as of that date.

† The anticipated date of delivery is Thursday, July 22, 2010.

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

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\$20,000,000
SALT LAKE CITY, UTAH
TAX AND REVENUE ANTICIPATION NOTES
SERIES 2010

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

CITY COUNCIL

JT Martin.....	Council Chair
Jill Remington Love.....	Council Vice Chair
Carlton J. Christensen	Council Member
Luke Garrott.....	Council Member
Stan Penfold.....	Council Member
Søren D. Simonsen.....	Council Member
Van Blair Turner.....	Council Member

CITY ADMINISTRATION

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

NOTE COUNSEL

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

INDEPENDENT AUDITORS

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

FINANCIAL ADVISOR

Wells Fargo Securities
MAC U1228-055
299 South Main, 5th Floor
Salt Lake City, Utah 84111
(801) 246-1731; (801) 246-1704 (Fax)

NOTE REGISTRAR AND PAYING AGENT

Salt Lake City Treasurer
City Treasurer's Office
(For hand delivery or express courier delivery)
451 South State Street, Room 228
Salt Lake City, Utah 84111
-OR-
(For U.S. Postal Service Delivery)
P.O. Box 145462
Salt Lake City, Utah 84114-5462
(801) 535-7946; (801) 535-6082 (Fax)

No dealer, broker, salesperson or any other person has been authorized by Salt Lake City, Utah (the "*City*"), or the successful bidder(s) to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the successful bidder(s). This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of, the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City or in any other information contained herein since the date hereof.

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

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

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\$20,000,000
SALT LAKE CITY, UTAH
TAX AND REVENUE ANTICIPATION NOTES
SERIES 2010

INTRODUCTION

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

See the following appendices that are attached hereto: “APPENDIX A–SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009;” “APPENDIX B–FORM OF CONTINUING DISCLOSURE UNDERTAKING,” “APPENDIX C–DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY,” “APPENDIX D–CASH FLOW SUMMARY” and “APPENDIX E–PROPOSED FORM OF OPINION OF NOTE COUNSEL.”

THE NOTES

This Official Statement, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the City of its \$20,000,000 Tax and Revenue Anticipation Notes, Series 2010, dated the date of original issuance and delivery thereof (the “Notes” or “Note”), initially issued in book-entry form only.

THE CITY

The City is a municipal corporation and political subdivision of the State of Utah (the “State”) and is the capital of the State. The City is the most populous City in the State with an estimated 2009 population of approximately 182,000 residents. The City is governed by the City Council, which is comprised of seven members. For more information with respect to the City see “SALT LAKE CITY, UTAH” for additional information.

SECURITY AND SOURCE OF PAYMENT

The Notes will be issued in anticipation of the collection of taxes levied and general fund revenues to be collected for the City’s fiscal year ending June 30, 2011 (the “*Current Fiscal Year*”). See “THE NOTES–Security and Sources of Payment.”

AUTHORITY AND PURPOSE

The Notes are being issued pursuant to (i) the Local Government Bonding Act, Chapter 14 of Title 11 (the “*Local Government Bonding Act*”) of the Utah Code Annotated 1953, as amended (the “*Utah Code*”), (ii) Resolution No. __ of 2010 of the City adopted on

_____, 2010 (the “*Resolution*”), which provides for the issuance of the Notes, and (iii) other applicable provisions of law.

Under Utah law, cities may issue tax and revenue anticipation notes in an amount not in excess of 90% of the estimated taxes and other revenues of the municipality for the current year, and, in the event that such notes are issued prior to the annual tax levy for the year in which such indebtedness is contracted, not in excess of 75% of the taxes and other revenues of the municipality for the preceding year.

The Notes are to be issued in anticipation of the collection of taxes and other revenues for the Current Fiscal Year, for the purpose of payment of current and necessary expenses of the City, including costs of issuing the Notes, and for other purposes for which funds of the City may be legally expended. The City does not expect to issue additional tax and revenue anticipation notes for the Current Fiscal Year.

USE OF PROCEEDS

The proceeds of the Notes will be used for the purpose of payment of current and necessary expenses of the City including the costs of issuing the Notes and for other purposes for which funds of the City may be legally expended. See “THE NOTES–Sources and Uses of Funds.”

NO REDEMPTION

The Notes are not subject to optional redemption prior to maturity. See “THE NOTES–No Redemption.”

REGISTRATION, DENOMINATIONS AND MANNER OF PAYMENT

The Notes are issuable only as fully-registered notes and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“*DTC*”), which will act as securities depository of the Notes. Purchases of Notes will be made in book-entry form only, in the principal amount of \$100,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Notes will not be entitled to receive physical delivery of note certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Notes.

Principal of and interest on the Notes are payable on June 30, 2011. The City Treasurer of the City (the “*City Treasurer*”) will act as Paying Agent (the “*Paying Agent*”) to the registered owners of the Notes. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Notes, as described in “THE NOTES–Book-Entry System.”

TAX-EXEMPT STATUS

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

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

The Notes are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the Notes by Chapman and Cutler LLP, Note Counsel, and certain other conditions. Certain legal matters will be passed on for the City by the City Attorney. It is expected that the Notes, in book-entry form only, will be available for delivery through the facilities of DTC on or about Thursday, July 22, 2010.

LIMITED CONTINUING DISCLOSURE

As the Notes have a maturity of less than 18 months, the City is exempt from the provisions of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934, requiring the delivery of annual financial information to the nationally recognized securities information repositories specified in the Rule. However, pursuant to the Rule, the City will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Notes to provide notice of certain events to certain information repositories pursuant to the requirements of paragraphs (b)(5) and (d)(3) of the Rule. See "LIMITED CONTINUING DISCLOSURE" herein and the proposed form of the Undertaking attached hereto as "APPENDIX B—FORM OF CONTINUING DISCLOSURE UNDERTAKING."

BASIC DOCUMENTATION

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

CONTACT PERSONS

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

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

As of the date of this Official Statement, additional requests for information may be directed to Wells Fargo Bank, N.A., Salt Lake City, Utah (the “*Financial Advisor*”):

Kelly A. Murdock, Director
Wells Fargo Securities
299 South Main, Suite 500
Salt Lake City, Utah 84111
Telephone: (801) 246-1732; Fax: (801) 246-1704
E-Mail: kelly.a.murdock@wellsfargo.com

PUBLIC SALE/ELECTRONIC BID

The Notes will be awarded pursuant to competitive bidding held via the PARITY® bid submission system on Tuesday, July 13, 2010, as set forth in the Official Notice of Note Sale (dated the date of this Preliminary Official Statement), to _____, of _____, _____, at a “true interest rate” of _____%.

THE NOTES

GENERAL

The Notes will be dated the date of original issuance and delivery thereof and will mature on June 30, 2011, as set forth on the cover page of this Official Statement.

The Notes will bear interest from their date at the rate set forth on the cover page of this Official Statement. Principal of and interest on the Notes is payable on June 30, 2011. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months. The City Treasurer is the Note Registrar for the Notes under the Resolution (the “*Note Registrar*”).

The Notes will be issued as fully-registered notes, initially in book-entry form only, in the denomination of \$100,000 or any whole multiple thereof.

SOURCES AND USES OF FUNDS

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

SOURCES:

Par amount of Notes	\$
Original issue premium ⁽¹⁾	_____
TOTAL	\$_____

USES:

Project Account	\$
Purchaser's discount	
Costs of issuance ⁽²⁾	_____
TOTAL	\$_____

(1) Net of original issue discount.

(2) Includes Financial Advisor fees, legal fees, rating agency fee[, printing] and other miscellaneous costs of issuance.

SECURITY AND SOURCES OF PAYMENT

The Notes will be issued pursuant to applicable law in anticipation of the collection of taxes levied and yet to be collected for the City's Current Fiscal Year. The full faith and credit of the City will be pledged to levy and collect sufficient taxes and other revenues for the Current Fiscal Year, and the City will covenant to irrevocably appropriate from the first collection of such taxes and other revenues pertaining to the Current Fiscal Year an amount sufficient to pay the principal of and interest on the Notes when due and all budgeted expenses of the City for the Current Fiscal Year.

NO REDEMPTION

The Notes are not subject to redemption prior to maturity.

REGISTRATION AND TRANSFER

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

Notes may be exchanged at the principal office of the Note Registrar for a like aggregate principal amount of fully-registered Notes.

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

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

BOOK-ENTRY SYSTEM

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

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

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

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

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

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

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

As long as the book-entry system is in effect, redemption proceeds, principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested

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

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

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

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

DEBT SERVICE REQUIREMENTS

The following table shows the debt service requirements for the Notes:

MATURITY	PRINCIPAL	INTEREST	FISCAL YEAR TOTAL
June 30, 2010	\$20,000,000	\$	\$

SALT LAKE CITY, UTAH

CITY OFFICIALS

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

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

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

<u>OFFICE</u>	<u>DISTRICT</u>	<u>PERSON</u>	<u>YEARS IN SERVICE</u>	<u>EXPIRATION OF CURRENT TERM</u>
Mayor		Ralph Becker	2	January 2012
Council Chair	#6	JT Martin	2	January 2012
Council Vice Chair	#5	Jill Remington Love	8	January 2014
Council Member	#1	Carlton J. Christensen	12	January 2014
Council Member	#2	Van Blair Turner	10	January 2012
Council Member	#3	Stan Penfold	-	January 2014
Council Member	#4	Luke Garrott	2	January 2012
Council Member	#7	Søren D. Simonsen	4	January 2014

CITY ADMINISTRATION

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

David Everitt, Chief of Staff, was appointed to his position by Mayor Ralph Becker on January 7, 2008. He is an experienced educator and program manager, and he successfully managed Mayor Becker's 2007 mayoral race. David Everitt received his B.S. degree in Geology from the University of Washington and his Master's degree in Environment and Community from Antioch Seattle University. He co-founded an environmental consulting business ten years ago and has worked throughout the country for the last twelve years as an environmental educator and program supervisor.

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

Christine Meeker, City Recorder, was appointed by Mayor Ralph Becker August 12, 2008. Ms. Meeker has been employed with Salt Lake City since November 1980. Ms. Meeker completed the Municipal Clerks Institute conducted by Continuing Education and Community Services, Weber State University, Ogden in November of 1995 received her Certified Municipal

Clerk (CMC) designation and in September of 2006 she completed the Master Municipal Clerk Certificate (MMC) offered through the University of Utah.

Daniel A. Mulé, City Treasurer, was appointed to his position in June 1993. From April 1986 until his current appointment, Mr. Mulé was Deputy Treasurer for the City; and from April 1980 until April 1986 he served as Senior Auditor of Reporting for the City. Mr. Mulé holds an M.B.A. in Finance from the Boston College Graduate School of Management, and a B.S. degree in Business Administration from Villanova University.

EMPLOYEE WORKFORCE AND RETIREMENT SYSTEM; POSTEMPLOYMENT BENEFITS

Employee Workforce and Retirement System. The City currently employs approximately 2,650 full-time employees and approximately 490 hourly and part-time employees for a total employment of approximately 3,140 employees. The City participates in three cost-sharing multiple-employer public employee retirement systems and one multiple employer agent system which are defined benefit retirement plans covering public employees of the State and employees of participating local governmental entities. The systems are administered under the direction of the Utah State Retirement Board whose members are appointed by the Governor of Utah. See “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009 – Notes to Financial Statements – Note 6 – Long-term obligations,” “– Note 12 – Pension Plans” and “– Note 14 – Deferred Compensation Plans.”

Postemployment Benefits. The Governmental Accounting Standards Board issued Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which became effective for the City for its fiscal year ending June 30, 2008. The City contracted with an actuarial firm to provide the City with its estimated postemployment benefits liability. Such actuarial firm determined that the City’s accrued actuarial liability for its postemployment benefits was \$88,848,000 at July 1, 2008. The other postemployment benefit (“OPEB”) cost and annual required contribution for the year ended June 30, 2009 were \$8,186,000 and \$8,154,000, respectively. The City currently funds its OPEB costs on a pay-as-you-go basis and during the fiscal year ended June 30, 2009 contributed \$2,491,000. For additional information regarding the City’s postemployment benefits see “APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009–Note 13–Other Postemployment Benefits.”

DEBT STRUCTURE OF SALT LAKE CITY, UTAH

For purposes of the information set forth under this section under the heading entitled “Outstanding Debt Issues” the Notes are considered issued and outstanding.

OUTSTANDING DEBT ISSUES (AS OF JULY 1, 2010)

	AMOUNT OF ORIGINAL ISSUE	FINAL MATURITY DATE	PRINCIPAL OUTSTANDING
General Obligation Bonds:			
Series 1999 (Library Bonds)	\$81,000,000	6/15/2019	\$ 240,000
Series 2001 Refunding (Refund Series 1991)	22,650,000	6/15/2011	2,790,000
Series 2002 Building and Refunding (Refund portion of Series 1999)	48,855,000	6/15/2019	47,120,000
Series 2004A (Hogle Zoo & Tracy Aviary)	11,300,000	6/15/2024	8,665,000
Series 2009A (Open Space)	800,000	12/15/2018	750,000
Series 2009B (The Leonardo)	10,200,000	6/15/2029	9,830,000
Series 2010A (Public Safety Facilities) ⁽¹⁾	25,000,000	6/15/2030	<u>25,000,000</u>
Total			\$94,395,000
Redevelopment Agency Debt ⁽²⁾ :			
Series 1990 Tax Increment (CAB)	\$24,268,008	3/1/2015	\$ 7,487,799
Series 2002A Tax Increment	16,190,000	3/1/2015	<u>5,835,000</u>
Total			\$13,322,799
Water and Sewer Revenue Bonds:			
Series 2004	\$30,955,000	2/1/2024	\$24,545,000
Series 2005	11,075,000	2/1/2025	8,120,000
Series 2008	14,800,000	2/1/2024	13,365,000
Series 2009 (Taxable)	6,300,000	2/1/2031	<u>6,300,000</u>
Total			\$52,330,000
Special Improvement District and Assessment Area Bonds:			
Series 2003 103009	\$ 1,217,000	12/1/2012	\$ 396,000
Series 2006 106024	472,000	2/1/2016	307,000
Series 2006 102004	294,000	6/1/2016	190,000
Series 2007 102112	316,000	12/1/2011	134,000
Series 2007 102113	76,000	12/1/2011	32,000
Series 2007 106018	376,000	6/1/2017	278,000
Series 2007 102109 & 102129	129,000	6/1/2017	95,000
Series 2008A 102119	246,000	6/1/2013	153,000
Series 2009A 102136	380,000	6/1/2013	232,000
Series 2009B 103006	1,263,000	9/1/2019	1,263,000
Series 2009C 102145 & 102146	396,000	9/1/2019	<u>396,000</u>
Total			\$3,476,000
Sales Tax Revenue Bonds:			
Series 2004 Refunding (Adjustable Rate)	\$17,300,000	6/1/2015	\$ 7,485,000
Series 2005A Refunding	47,355,000	10/1/2020	40,320,000
Series 2007A	8,590,000	10/1/2026	7,460,000
Series 2009A	36,240,000	10/1/2028	<u>35,260,000</u>
Total			\$90,525,000
Tax and Revenue Anticipation Notes:			
Series 2010	\$20,000,000	6/30/2011	\$20,000,000

(1) The Series 2010A Bonds maturing 2011 through 2016 are tax-exempt and the Series 2010A Bonds maturing 2017 through 2030 are federally taxable-direct pay-Build America Bonds.

(2) Although the Redevelopment Agency bonds are listed above, such bonds are issued by the Redevelopment Agency of Salt Lake City, a separate entity, and are not obligations of the City.

DEBT SERVICE SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS
(As of July 1, 2010)

Fiscal Year Ending June 30	Total Principal	Total Interest	Total Debt Service
2010	\$ 7,570,000	\$3,636,717	\$11,206,717
2011	8,795,000	4,766,506	13,561,506
2012	6,390,000	4,184,518	10,574,518
2013	6,690,000	3,869,553	10,559,553
2014	6,995,000	3,534,771	10,529,771
2015	7,330,000	3,183,142	10,513,142
2016	7,655,000	2,829,250	10,484,250
2017	8,025,000	2,443,888	10,468,888
2018	8,395,000	2,040,307	10,435,307
2019	8,755,000	1,627,822	10,382,822
2020	2,415,000	1,204,568	3,619,568
2021	2,470,000	1,102,058	3,572,058
2022	2,555,000	992,758	3,547,758
2023	2,655,000	876,412	3,531,412
2024	2,760,000	754,004	3,514,004
2025	2,015,000	624,817	2,639,817
2026	2,090,000	529,412	2,619,412
2027	2,165,000	428,673	2,593,673
2028	2,245,000	322,832	2,567,832
2029	2,325,000	210,727	2,535,727
2030	<u>1,670,000</u>	<u>92,184</u>	<u>1,762,184</u>
Total	<u>\$101,965,000</u>	<u>\$39,254,919</u>	<u>\$141,219,919</u>

OTHER FINANCIAL CONSIDERATIONS

See "APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009 – Notes to the Financial Statements – Note 6-Long-Term Obligations."

The City has approximately \$119.9 million of authorized, but unissued, general obligation bonds. The City may issue approximately \$115.3 million of general obligation bonds during the Current Fiscal Year. The City plans to issue the remaining amount of authorized and unissued general obligation bonds over the next few years.

Within the upcoming Current Fiscal Year the City may issue up to \$32 million of its sales tax revenue bonds to fund certain infrastructure improvements.

Within the next year, the City has no plans to issue additional assessment area bonds.

OVERLAPPING GENERAL OBLIGATION DEBT

<u>TAXING ENTITY</u> ⁽¹⁾	<u>2008 TAXABLE VALUE</u> ⁽²⁾	<u>CITY'S PORTION OF TAXABLE VALUE</u>	<u>CITY'S PERCENTAGE</u>	<u>ENTITY'S GENERAL OBLIGATION DEBT</u>	<u>CITY'S PORTION OF G.O. DEBT</u>
CUWCD ⁽³⁾	\$124,829,570,032	\$20,821,558,105	16.7%	\$309,750,000	\$ 51,728,250
Salt Lake City School District	20,820,200,615	20,820,200,615	100.0	121,055,722	121,055,722
Salt Lake County	83,180,314,647	20,821,558,105	25.0	281,800,000	<u>70,450,000</u>
Total Overlapping General Obligation Debt					<u>\$243,233,972</u>
Total Overlapping General Obligation Debt					\$243,233,972
Total Direct General Obligation Bonded Indebtedness					<u>94,395,000</u>
Total Direct and Overlapping General Obligation Debt					<u>\$337,628,972</u>

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

(2) 2009 information is not available. Taxable Value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property. See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Property Tax Matters — *Uniform Fees*" and "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH — Taxable and Fair Market Value of Property."

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

(Source: Property Tax Division, Utah State Tax Commission (as to Taxable Value).)

DEBT RATIOS

The following table sets forth the ratios of general obligation debt of the City and the taxing entities listed in the table above entitled "Overlapping General Obligation Debt" that is expected to be paid from taxes levied specifically for such debt (and not from other revenues) on the taxable value of property within Salt Lake City, the estimated fair market value of such property and the population of the City. The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.

	COMPARED TO 2008 TAXABLE VALUE ⁽¹⁾	COMPARED TO 2008 ESTIMATED FAIR MARKET VALUE ⁽²⁾	COMPARED TO 2008 POPULATION ESTIMATE PER CAPITA ⁽³⁾
Direct General Obligation Debt	0.45%	0.34%	\$ 519.52
Direct and Overlapping General Obligation Debt	1.62%	1.22%	\$1,858.19

(1) Based on 2008 Taxable Value of \$20,820,200,615, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(2) Based on an estimated 2008 Fair Market Value of \$27,627,479,804, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(3) Based on a 2008 population estimate of 181,698 persons.

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

GENERAL OBLIGATION LEGAL DEBT LIMIT AND ADDITIONAL DEBT INCURRING CAPACITY

The general obligation indebtedness of the City is limited by State law to 8% of taxable property in the City (4% for general purposes and an additional 4% for sewer, water and electric purposes*) as computed from the last equalized assessment rolls for State or County purposes prior to incurring the debt. The legal debt limit and additional debt incurring capacity of the City are based on the estimated fair market value for 2008 and are calculated as follows:

Estimated 2008 Fair Market Value ⁽¹⁾	<u>\$28,671,850,538</u>		
LEGAL DEBT MARGIN	GENERAL PURPOSES 4%	WATER, SEWER, AND LIGHTING 4%	TOTAL 8%
General Obligation Debt Limit	\$1,146,874,022	\$1,146,874,022	\$2,293,748,044
Less: Outstanding General Obligation Bonds	<u>(94,395,000)</u>	<u>-</u>	<u>(94,395,000)</u>
Legal Debt Margin	<u>\$1,052,479,022</u>	<u>\$1,146,874,022</u>	<u>\$2,199,353,044</u>

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

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

NO DEFAULTED OBLIGATIONS

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

FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH

FUND STRUCTURE; ACCOUNTING BASIS

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

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

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

FINANCIAL CONTROLS

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

BUDGET AND APPROPRIATION PROCESS

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

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

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

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

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

INSURANCE COVERAGE

The City is self-insured for general liability claims, except for liability incurred at the Salt Lake International Airport (the "*Airport*"). The Airport liability policy has a limit of \$500 million with no deductible. The Governmental Immunity Fund (an internal service fund) has been established to pay liability claims other than those of the Airport, along with certain City Attorney expenses. The City has an all-risk property insurance policy that has a limit of \$500 million with a \$100,000 deductible. The policy includes (a) \$100 million for the Salt Lake City International Airport and \$50 million in earthquake coverage for all other locations, (b) \$100 million in flood coverage for facilities that are located outside the standard report zone, and (c) boiler and machine coverage to policy limit with a \$25,000 deductible. The City Treasurer is covered under a \$10,000,000 bond with no deductible. The City also has (i) public employee dishonesty insurance (an employee blanket bond) with a \$1 million limit per occurrence and a \$50,000 deductible, (ii) a forgery or alteration policy with a \$25,000 limit and a \$500 deductible,

and (iii) a theft, disappearance, and destruction policy with a limit of \$25,000 and a \$500 deductible. The City carries workers' compensation insurance of \$40 million and a \$1.5 million self-insured retention. The City is self-insured for property loss above the limits and below the deductibles. The operating departments of the General Fund or proprietary funds assume financial responsibility for risk retained by the City for property damage. Further, the City is self-insured for employee long-term disability, unemployment, and workers' compensation. The Risk Management Fund (an internal service fund) has been established to pay these claims along with health insurance premiums and certain administrative expenses. Unless otherwise renewed, all policies discussed above will expire on June 30, 2010.

INVESTMENT POLICY

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

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

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

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

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

The Utah Public Treasurers' Investment Fund. The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. Currently, the City has approximately \$500 million on deposit in the PTIF, representing a substantial portion of the City's funds. All investments in the PTIF must comply with the Money Management Act and rules of the State Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

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

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

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

See "APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009 – Notes to the Financial Statements – Note 2 – Cash, Cash Equivalents and Investments" below.

PROPERTY TAX MATTERS

The Property Tax Act, Title 59, Chapter 2 of the Utah Code (the "*Property Tax Act*") provides that all taxable property is required to be assessed and taxed at a uniform and equal rate on the basis of its "fair market value" as of January 1 of each year, unless otherwise provided by law. "Fair market value" is defined in the Property Tax Act as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts." Pursuant

to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the "fair market value" of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

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

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

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age-based fee. The uniform fee for motor homes is 1.0%. The uniform fee for aerial applicators is 0.2% and the uniform fee for all other aircraft is 0.4%. Motor vehicles weighing 12,000 pounds or less are subject to an age-based fee that is due each time the vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$5 to \$150, depending on the age of the vehicle. Recreation vehicles (except motor homes), motorcycles, watercraft (except large watercraft), snowmobiles and certain small motor vehicles required to be registered with the State are subject to an aged-based fee that ranges from \$10 to \$700, depending on the age of the vehicle. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

Property Tax Valuation Agency Fund. The State Legislature authorizes a multicounty assessing and collecting levy of up to .0002 per dollar of taxable value of taxable property, to fund a Property Tax Valuation Agency Fund (the "*PTVAF*"). The purpose of the multicounty assessing and collecting levy is to promote the accurate valuation of property, the establishment

and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection and distribution of property taxes. Disbursement of money from the PTVAF to each county is based on statutory qualification and requirements. Additionally, each county must levy an additional property tax of at least .0003 per dollar of taxable value as a county assessing and collecting levy in order to receive funds from the PTVAF. If necessary, a county may levy an additional tax to fund (i) state mandated actions and (ii) reappraisal programs.

TAX LEVY AND COLLECTION

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

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by May 1 of the following year. Owners of centrally-assessed property, or any county with a showing of reasonable cause, may, on or before the later of June 1 or a day within 30 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. By November 1, each county treasurer furnishes to each taxpayer a notice containing the kind and value of the property

assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Taxes are due November 30, or if November 30 falls on a Saturday, Sunday or holiday, the next business day. Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2% of the amount of the taxes or \$10, whichever is greater. Unless the delinquent taxes and penalty are paid before January 16 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Markets Committee plus 6% from the January 1 following the delinquency date until paid. If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

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

PUBLIC HEARING ON CERTAIN TAX INCREASES

Each taxing entity that proposes to levy a tax rate that exceeds the "certified tax rate" may do so, by resolution, only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity collected for the prior year, exclusive of collections from interest and penalties. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of new growth. New growth is any increase in taxable value of the taxing entity from the previous calendar year to the current year less the amount of increase to locally-assessed real property taxable values resulting from factoring, reappraisal, other adjustments, or changes in the method of apportioning taxable value. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public, and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

On or before July 22 of the year in which such an increase is proposed, notice of the public hearing must be mailed to all property owners and, in most cases, must be advertised electronically and by publication. The notice of the hearing must state, among other things, the

value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

SOURCES OF GENERAL FUND REVENUES

Set forth below are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's audited June 30, 2009 fiscal year period:

General property taxes – Approximately 35% of general fund revenues are from general property taxes.

Sales, use and excise taxes – Approximately 25% of general fund revenues are from sales, use and excise taxes.

Franchise taxes – Approximately 14% of general fund revenues are from franchise taxes.

Licenses and Permits – Approximately 9% of general fund revenues are from licenses.

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

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

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

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

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

Interest – Approximately 1% of general fund revenues are from interest income.

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

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

Miscellaneous – Less than 1% of general fund revenues are from miscellaneous revenues.

SALES AND USE TAXES

The Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code (the "*Local Sales and Use Tax Act*"), provides that each county, city and town in the State may levy a local sales and use tax of up to 1.00% on the purchase price of taxable goods and services.

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

In addition to the local sales and use tax levied by the City, the State levies a statewide sales and use tax (the "*Statewide Tax*") that is currently imposed at a rate of 4.70% of the purchase price of taxable goods and services, excluding unprepared food and food ingredients. Sales of unprepared food and food ingredients are taxed by the State at a rate of 1.75%. The State also levies a 2.00% tax on sales of natural gas, electricity and fuel oil for residential use.

In addition to the sales and use taxes described above, counties and cities in the State are authorized to impose certain additional sales and use taxes for various purposes as authorized by State law. The maximum sales and use tax levied on taxable goods and services within the City's boundaries by the State, County and the City is 6.85% and is comprised of certain various sales taxes mentioned in the preceding sentence, the Statewide Tax and local sales and use taxes.

Local sales and use taxes are collected by the Tax Commission and distributed on a monthly basis to each county, city and town. The distributions to the City are based on a formula, which provides that (a) 50% of each dollar of sales tax collections will be distributed on the basis of the population of the local government and (b) 50% of each dollar of sales tax collections will be distributed on the basis of the point of sale.

UTILITY FRANCHISE TAXES AND FEES

Under Utah law, counties and municipalities have the authority to impose a tax, license, fee, license fee, license tax or similar charge that, in the aggregate, may not exceed 6% of gross revenues of public utilities collected within the boundaries of the municipality (or, in the case of gas and electric service providers, not exceeding 6% of the "delivered value" of "taxable energy"). Utilities upon which these taxes and fees may be levied include telephone, natural gas, electric energy service companies, telecommunications companies and city public utilities. Utility franchise taxes and fees are collected by the utility and remitted on a monthly basis to the local government. Energy sales and use taxes are, in certain circumstances, remitted by the energy service provider to the State Tax Commission and then to the municipality.

The City levies a combination of utility franchise fees and privilege taxes equal in the aggregate to 6% of gross receipts of utilities doing business within its boundaries, including PacifiCorp, Questar, and Qwest and the City's Public Utilities. The City also levies a 5% franchise tax on Comcast Financial Corporation charges.

FIVE-YEAR FINANCIAL SUMMARIES

The summaries contained herein were extracted from the City's financial statements for the fiscal years ended June 30, 2005 through June 30, 2009. The summaries are unaudited. See also "APPENDIX A – SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009."

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SALT LAKE CITY CORPORATION, UTAH
STATEMENT OF NET ASSETS — GOVERNMENTAL ACTIVITIES
FISCAL YEARS ENDED JUNE 30, 2005 THROUGH 2009
Unaudited

	FISCAL YEAR ENDED JUNE 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
ASSETS:					
Current assets:					
Cash, and cash equivalents					
Unrestricted	\$ 93,964,462	\$ 99,596,352	\$ 97,526,118	\$ 91,726,937	\$105,781,862
Restricted	45,672,231	7,072,204	2,974,147	3,391,095	7,698,066
Receivables:					
Property, franchise and excise taxes	81,901,632	80,636,133	77,269,602	76,883,419	73,046,038
Assessments	1,822,336(4)	2,626,041(3)	3,588,908(2)	1,511,457(1)	1,673,774(1)
Loans and other receivables	7,838,168	10,024,243(7)	10,017,681(6)	6,797,813(5)	41,809,568(5)
Due from other governments	1,712,059	1,166,274	1,707,670	2,850,086	3,105,222
Other, principally accrued interest	946,565	1,059,462	1,198,139	1,092,624	1,024,948
Prepaid Expenses	-	-	-	46,835	199,906
Inventories	658,431	942,035	591,923	515,374	424,746
Internal balances	<u>841,805</u>	<u>(34,090)</u>	<u>46,472</u>	<u>112,939</u>	<u>(162,133)</u>
Total current assets	<u>235,357,689</u>	<u>203,088,654</u>	<u>194,920,660</u>	<u>184,928,579</u>	<u>234,601,997</u>
Noncurrent assets:					
Property and equipment, at cost:					
Land and water rights	179,036,321	175,224,789	172,323,058	169,070,674	165,329,841
Infrastructure	249,800,326	239,793,367	235,492,174	230,046,330	219,948,512
Buildings	202,981,542	198,800,307	199,842,791	197,654,596	211,679,858
Improvements other than buildings	35,491,186	30,773,120	28,884,422	26,456,777	37,900,135
Machinery and equipment	86,752,879	85,945,995	79,639,195	77,087,913	73,910,695
Construction in progress	20,417,543	14,100,072	15,966,226	16,343,572	14,254,627
Accumulated depreciation	<u>(208,457,181)</u>	<u>(199,490,880)</u>	<u>(188,989,772)</u>	<u>(179,064,918)</u>	<u>(190,151,391)</u>
Net property and equipment	566,022,616	545,146,770	543,158,094	537,594,944	532,872,277
Bond issue costs	1,225,745(12)	876,962(11)	862,493(10)	990,541(9)	1,169,950(8)
Land and buildings held for resale	-	-	-	-	313,799
Total noncurrent assets	<u>567,248,361</u>	<u>546,023,732</u>	<u>544,020,587</u>	<u>538,585,485</u>	<u>534,356,026</u>
Total assets	<u>\$802,606,050</u>	<u>\$749,112,386</u>	<u>\$738,941,247</u>	<u>\$723,514,064</u>	<u>\$768,958,023</u>

- (1) Including \$275,361 of delinquent assessments.
- (2) Including \$202,939 of delinquent assessments.
- (3) Including \$140,984 of delinquent assessments.
- (4) Including \$242,722 of delinquent assessments.
- (5) Less allowance for doubtful accounts of \$4,040,726.
- (6) Less allowance for doubtful accounts of \$1,443,314.
- (7) Less allowance for doubtful accounts of \$140,984.
- (8) Less accumulated amortization of \$1,345,570.
- (9) Less accumulated amortization of \$1,424,800.
- (10) Less accumulated amortization of \$1,752,068.
- (11) Less accumulated amortization of \$1,662,231.
- (12) Less accumulated amortization of \$1,752,582.

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

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SALT LAKE CITY CORPORATION, UTAH
STATEMENT OF NET ASSETS — GOVERNMENTAL ACTIVITIES
FISCAL YEARS ENDED JUNE 30, 2005 THROUGH 2009
(continued)
Unaudited

	FISCAL YEAR ENDED JUNE 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
LIABILITIES:					
Current liabilities:					
Accounts payable	\$ 8,521,469	\$ 5,419,354	\$ 5,639,370	\$ 5,710,170	\$ 6,276,279
Accrued liabilities	10,239,231	10,201,390	9,941,357	13,612,799	16,062,580
Current portion of long-term compensation liability	1,838,461	2,119,125	2,121,942	1,869,362	1,620,189
Current portion of estimated claims payable	3,261,403	2,125,380	2,892,081	-	-
Current portion of long-term debt:					
Payable from unrestricted assets	17,209,029	13,807,859	12,930,970	12,528,870	23,593,571
Special assessment debt with governmental commitment	434,000	349,000	349,000	311,000	311,000
Deferred revenue	67,705,511	66,089,635	64,054,850	62,554,507	60,668,551
Unearned revenue	218,599	218,599	218,599	-	-
Other liabilities payable from restricted assets	299,567	350,348	302,074	338,774	563,708
Current deposits and advance rentals	<u>1,120,473</u>	<u>1,706,758</u>	<u>1,612,229</u>	<u>1,381,783</u>	<u>1,211,615</u>
Total current liabilities	<u>110,847,743</u>	<u>102,387,448</u>	<u>100,062,472</u>	<u>98,307,265</u>	<u>110,307,493</u>
Noncurrent liabilities:					
Long-term compensation liability	15,705,210	20,252,938	15,991,475	14,156,047	14,523,078
Other post employment benefits	7,692,000	-	-	-	-
Estimated claims payable	4,462,322	4,662,976	4,491,766	-	-
Bonds payable	160,635,419	126,117,660	128,763,303	139,122,296	148,677,689
Notes payable	1,909,982	3,691,996	2,542,078	2,931,865	3,269,518
Notes payable from restricted assets	<u>430,393</u>	<u>393,133</u>	<u>1,129,228</u>	<u>1,043,569</u>	<u>126,799</u>
Total noncurrent liabilities	<u>190,835,326</u>	<u>155,118,703</u>	<u>152,917,850</u>	<u>157,253,777</u>	<u>166,597,084</u>
Total liabilities	<u>301,683,069</u>	<u>257,506,151</u>	<u>252,980,322</u>	<u>255,561,042</u>	<u>276,904,577</u>
NET ASSETS:					
Invested in capital assets, net of related debt	385,403,793	400,787,122	398,306,008	382,647,885	358,063,650
Restricted for:					
Capital projects	7,201,928	7,201,928	7,201,928	7,201,928	7,201,928
Debt service	23,633	2,753,670	1,370,067	528,366	554,266
Unrestricted	<u>108,293,627</u>	<u>80,863,515</u>	<u>79,082,921</u>	<u>77,574,843</u>	<u>126,233,602</u>
Total net assets	<u>500,922,981</u>	<u>491,606,235</u>	<u>485,960,924</u>	<u>467,953,022</u>	<u>492,053,446</u>
Total liabilities and net assets	<u>\$802,606,050</u>	<u>\$749,112,386</u>	<u>\$738,941,246</u>	<u>\$723,514,064</u>	<u>\$768,958,023</u>

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

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SALT LAKE CITY CORPORATION, UTAH
BALANCE SHEET — GOVERNMENTAL FUNDS — GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2005 THROUGH 2009
Unaudited

ASSETS AND OTHER DEBITS	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assets:					
Cash and cash equivalents	\$ 23,135,486	\$ 27,286,652	\$ 33,584,098	\$ 29,016,359	\$ 31,163,138
Receivables:					
Property, franchise and excise taxes	81,747,405	80,072,093	76,723,523	76,586,009	72,634,279
Other, principally accrued interest	469,434	565,127	673,173	519,164	486,679
Restricted Assets:					
Cash and cash equivalents	<u>281,325</u>	<u>202,798</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Assets and Other Debits	<u>\$105,633,650</u>	<u>\$108,126,670</u>	<u>\$110,980,794</u>	<u>\$106,121,532</u>	<u>\$104,284,096</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 2,433,248	\$ 2,208,039	\$ 2,266,539	\$ 1,533,685	\$ 1,885,368
Accrued liabilities	10,358,992	10,894,783	10,960,630	7,643,370	11,283,095
Current deposits and advance rentals	1,120,473	1,706,758	1,442,229	1,381,783	1,211,615
Deferred Revenue	<u>67,462,190</u>	<u>65,179,942</u>	<u>63,751,014</u>	<u>63,983,151</u>	<u>60,745,866</u>
Total liabilities	<u>81,374,903</u>	<u>79,989,522</u>	<u>78,420,412</u>	<u>74,541,989</u>	<u>75,125,944</u>
Fund Balances:					
Reserved for encumbrances	1,931,020	4,339,784	3,587,310	2,818,341	2,526,885
Reserved for restricted assets	281,325	202,798	—	—	—
Unreserved and undesignated	<u>22,046,402</u>	<u>23,594,566</u>	<u>28,973,072</u>	<u>28,761,202</u>	<u>26,631,267</u>
Total fund balance	<u>24,258,747</u>	<u>28,137,148</u>	<u>32,560,382</u>	<u>31,579,543</u>	<u>29,158,152</u>
Total Liabilities and Fund Balance	<u>\$105,633,650</u>	<u>\$108,126,670</u>	<u>\$110,980,794</u>	<u>\$106,121,532</u>	<u>\$104,284,096</u>

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

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SALT LAKE CITY CORPORATION, UTAH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE — GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2005 THROUGH 2009
Unaudited

Revenues And Expenditures	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues:					
General property tax	\$ 66,237,313	\$ 67,447,285	\$ 65,789,159	\$ 63,305,389	\$ 64,472,863
Sales, use and excise taxes	47,303,903	51,367,198	49,776,316	47,112,848	42,756,404
Franchise taxes	26,318,421	28,079,172	25,959,198	23,929,112	23,194,439
Licenses	7,861,188	7,326,445	6,577,602	5,778,560	5,505,104
Permits	9,826,201	8,426,311	6,968,884	7,293,312	6,145,379
Fines and forfeitures	6,541,816	5,640,355	5,996,072	6,256,430	5,655,903
Interest	2,309,596	3,297,603	4,710,321	3,468,103	2,329,996
Intergovernmental	4,761,925	4,785,830	4,504,348	4,146,447	4,367,262
Interfund service charges	9,509,226	9,447,942	9,542,111	8,863,782	8,689,335
Parking meter collections	1,646,261	1,663,959	1,539,771	1,453,619	1,288,058
Parking tickets	3,969,193	3,102,615	2,908,621	3,135,240	3,669,078
Charges for services	4,294,227	4,034,101	4,034,270	3,471,720	3,551,387
Contributions	19,750	1,537,882 ¹	11,738	19,134	11,541
Miscellaneous	<u>593,688</u>	<u>534,167</u>	<u>575,758</u>	<u>599,938</u>	<u>427,768</u>
Total Revenues	<u>191,192,708</u>	<u>196,690,865</u>	<u>188,894,169</u>	<u>178,833,634</u>	<u>172,064,517</u>
Expenditures:					
City Council	1,777,148	2,174,025	1,685,830	1,519,339	1,541,482
Mayor	1,910,635	1,768,023	1,616,798	1,557,688	1,459,969
City Attorney	4,662,167	4,310,171	3,942,728	3,285,362	2,925,101
Management Services	11,819,338	11,009,323	10,338,818	9,571,631	9,252,380
Fire	33,033,125	32,586,766	30,465,825	29,154,366	27,322,150
Police	54,178,976	54,649,054	50,337,858	47,154,868	44,883,262
Community & Econ Dev.	14,012,246	12,392,791	9,154,961	7,985,677	7,567,313
Public Services	36,899,117	38,678,986	36,225,500	34,912,298	32,756,205
Nondepartmental	<u>16,479,624</u>	<u>14,832,256</u>	<u>13,553,596</u>	<u>12,725,490</u>	<u>12,291,477</u>
Total Expenditures	<u>174,772,376</u>	<u>172,401,395</u>	<u>157,321,914</u>	<u>147,866,719</u>	<u>139,999,339</u>
Revenues Over Expenditures	<u>16,420,332</u>	<u>24,289,470</u>	<u>31,572,255</u>	<u>30,966,915</u>	<u>32,065,178</u>
Other Financing Sources (Uses):					
Proceeds from sale of property	465,433	603,264	560,462	423,507	393,043
Transfers in	6,138,963	1,952,048	1,791,470	2,056,962	1,628,762
Transfers out	<u>(26,903,129)</u>	<u>(31,268,016)</u>	<u>(32,943,348)</u>	<u>(31,025,993)</u>	<u>(26,343,272)</u>
Total Other Financing Sources (Uses)	<u>(20,298,733)</u>	<u>(28,712,704)</u>	<u>(30,591,416)</u>	<u>(28,545,524)</u>	<u>(24,321,467)</u>
Net Change in Fund Balances	(3,878,401)	(4,423,234)	980,839	2,421,391	7,743,711
Fund Balance Prior Year (July 1)	<u>28,137,148</u>	<u>32,560,382</u>	<u>31,579,543</u>	<u>29,158,152</u>	<u>21,414,441</u>
Fund Balance Year End (June 30)	<u>\$24,258,747</u>	<u>\$28,137,148</u>	<u>\$32,560,382</u>	<u>\$31,579,543</u>	<u>\$29,158,152</u>

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

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

HISTORICAL CITY TAX RATES

PURPOSE	TAX RATE				
	2009	2008	2007	2006	2005
General Purposes	0.003349	0.002869	0.002925	0.003390	0.003866
General Purposes Judgment	-	-	-	-	-
Interest & Sinking Fund	0.000530	0.000430	0.000458	0.000537	0.000622
Interest & Sinking Fund Judgment	-	-	-	0.000013	0.000004
Library	0.000760	0.000618	0.000657	0.000762	0.000869
Library Judgment	-	-	-	0.000018	0.000007
Judgment Recovery	<u>0.000017</u>	-	-	-	-
Total Levy	0.004656	0.003917	0.004040	0.004720	0.005368

COMPARATIVE PROPERTY TAX RATES WITHIN SALT LAKE COUNTY

Tax Levying Entity	TAX RATE				
	2009	2008	2007	2006	2005
Alta Town	0.000980	0.000930	0.000885	0.001280	0.001185
Bluffdale City	0.001247	0.001010	0.001160	0.001400	0.001131
Cottonwood Heights City	0.002399	0.002098	0.002220	0.002624	N/A
Draper City	0.001818	0.001528	0.001616	0.001274	0.001469
Herriman City	0.000371	0.000296	0.000302	0.001882	0.002117
Holladay (City of)	0.001533	0.001312	0.001436	0.001659	0.001983
Midvale City	0.002262	0.001938	0.001757	0.002118	0.002443
Murray City	0.002022	0.001767	0.001886	0.002203	0.001941
Riverton City	0.000816	0.000691	0.000237	0.000300	0.001415
Salt Lake City	0.004656	0.003917	0.004040	0.004720	0.005368
Sandy City	0.001356	0.001175	0.001252	0.001514	0.001757
South Jordan City	0.002028	0.001699	0.001708	0.001874	0.002211
South Salt Lake City	0.002665	0.002352	0.002465	0.002857	0.001396
Taylorsville (City of)	0.001690	0.001514	0.001554	0.001858	0.001801
West Jordan City	0.002080	0.001810	0.001856	0.002259	0.002572
West Valley City	0.003604	0.003171	0.003194	0.003700	0.002527

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

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TAXABLE AND FAIR MARKET VALUE OF PROPERTY

SALT LAKE CITY, UTAH

Excluding Fee-In-Lieu/Age Based Valuation

YEAR	TAXABLE VALUE ⁽¹⁾	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE ⁽²⁾	% CHANGE OVER PRIOR YEAR
2008	\$20,821,558,105	6.1%	\$27,627,479,804	5.6%
2007	19,624,987,661	17.1	26,160,479,197	17.8
2006	16,761,962,145	13.1	22,199,190,140	13.9
2005	14,824,077,709	3.2	19,486,749,590	4.3
2004	14,371,244,526	2.2	18,691,375,277	-

Including Fee-In-Lieu/Age Based Valuation

YEAR	TAXABLE VALUE ⁽¹⁾	% CHANGE OVER PRIOR YEAR	FAIR MARKET VALUE ⁽²⁾	% CHANGE OVER PRIOR YEAR
2008	\$21,865,658,839	5.7%	\$28,671,850,538	5.3%
2007	20,682,992,160	17.3	27,218,483,696	18.0
2006	17,627,966,896	12.7	23,065,194,891	13.6
2005	15,641,012,507	(2.5)	20,303,684,388	(0.3)
2004	16,035,364,425	7.4	20,355,495,176	-

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

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

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

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HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY

SALT LAKE CITY, UTAH
 HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY
 TAX YEARS 2004 THROUGH 2008*

	2008		2007		2006		2005		2004	
	TAXABLE VALUE	% OF T.V.	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE
<i>Set by State Tax Commission— Centrally Assessed</i>										
Total centrally assessed.....	\$ 2,076,836,331	9.5%	\$ 2,063,831,387	\$ 2,050,073,870	\$ 1,888,464,689	\$ 2,060,112,828				
<i>Set by County Assessor—Locally Assessed</i>										
Real property:										
Primary residential	8,314,285,404	38.0	7,983,784,728	6,641,745,437	5,694,675,204	5,275,500,947				
Secondary residential	197,308,550	0.9	169,266,860	157,620,810	120,922,960	99,756,690				
Commercial and industrial	8,489,152,490	38.8	7,784,440,890	6,487,575,310	5,543,060,010	5,487,885,450				
FAA	0	0.0	0	1,194,950	431,240	408,210				
Unimproved Non-FAA-Vacant	7,396,660	0.0	3,375,040	0	0	0				
Agricultural	83,650	0.0	94,860	57,330	54,220	46,590				
Total real property.....	17,008,226,754	77.8	15,940,962,378	13,288,193,837	11,359,143,634	10,863,597,887				
Personal property:										
Primary mobile homes.....	4,063,339	0.0	4,038,261	3,755,446	4,145,984	4,658,860				
Secondary mobile homes.....	3,268,840	0.0	1,968,478	1,874,153	2,204,036	2,749,493				
Other business personal property	1,729,162,841	7.9	1,614,187,157	1,418,064,839	1,570,119,366	1,440,125,458				
Total personal property	1,736,495,020	7.9	1,620,193,896	1,423,694,438	1,576,469,386	1,447,533,811				
Fee in lieu/age based property (1).....	1,044,100,734	4.8	1,058,004,499	866,004,751	816,934,798	1,664,119,899				
Total locally assessed.....	19,788,822,508	90.5	18,619,160,773	15,577,893,026	13,752,547,818	13,975,251,597				
Total taxable value	\$21,865,658,839	100.0%	\$20,682,992,160	\$17,627,966,896	\$15,641,012,507	\$16,035,364,425				
Total taxable value (less fee in lieu/age based property)	\$20,821,558,105		\$19,624,987,661	\$16,761,962,145	\$14,824,077,709	\$14,371,244,526				

* 2009 information is not available.

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

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TAX COLLECTION RECORD

CITY TAX REVENUE COLLECTED

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR (\$000)	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY ⁽¹⁾		COLLECTION IN SUBSEQUENT YEARS (\$000)	TOTAL COLLECTIONS TO DATE	
		AMOUNT (\$000)	PERCENTAGE OF LEVY		AMOUNT (\$000)	PERCENTAGE OF LEVY
2009	\$66,355	\$65,221	98.3%	\$ - ⁽²⁾	\$65,221	98.3%
2008	64,971	64,138	98.7	416	64,554	99.4
2007	64,647	63,880	98.8	586	64,466	99.7
2006	64,017	62,019	96.9	1,925	63,944	99.9
2005	63,401	62,516	98.6	555	63,071	99.5

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

(2) Information is not yet available from the County.

SOME OF THE LARGEST TAXPAYERS IN THE CITY

TAXPAYER	TYPE OF BUSINESS	2008 TAXABLE VALUE(1)	% OF THE CITY'S 2008 TAXABLE VALUE
PacifiCorp	Electric Utility	\$ 331,490,986	1.8%
LDS Church (Deseret Title, Etc.)	Religious	232,377,919	1.2
Sky West Airlines	Air Transportation	216,852,107	1.2
Qwest Corporation	Communications	166,439,079	0.9
Delta Airlines	Air Transportation	165,759,010	0.9
Wasatch Plaza Holding	Real Estate Holding	156,971,900	0.8
Inland Western Salt City Gateway	Retail	143,516,300	0.8
Boyer Properties	Real Estate Holding	123,627,300	0.7
Southwest Airlines	Air Transportation	98,856,510	0.5
Grand America Hotel Company	Hospitality	<u>94,387,200</u>	<u>0.5</u>
	TOTAL:	<u>\$1,730,278,311</u>	<u>9.3%*</u>

* Total may not add due to rounding.

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

(Source: Salt Lake City Corporation Comprehensive Annual Financial Report for the year ended June 30, 2009.)

RECENT DEVELOPMENTS

In setting its budget for the current fiscal year, the City recognized that revenues would decline from the previous fiscal year. In order to address the anticipated decline in revenues and start the current fiscal year with a balanced budget the City instituted a 1.5% employee pay suspension; eliminated vacant General Fund positions; reduced the amount contributed by the General Fund to the Capital Improvement Program equal to approximately 7% of General Fund revenues; passed on all insurance premium increases to employees; and instituted other measures, all with virtually little or no impact to residents and the services the City provides to them. Since adopting its budget for the current fiscal year, the City has seen an additional

decrease in revenues of approximately \$6 million. The decrease in revenues is due in large part to decreased sales tax revenues and decreased interest earnings due to lower interest rates. The City is statutorily required to have a balanced budget. To close this mid-year shortfall and balance the current fiscal year budget, the City reduced expenses mid-year and transferred some savings from its capital improvement program projects to the General Fund. The City continues to monitor incoming revenues and will take such additional action as is necessary in order to end the current fiscal year with a balanced budget.

The City continues to be adversely impacted by the effects of the lingering recession. Based on current projections that reflect lower than anticipated sales tax revenues, permit fees and interest income, the City has just completed the budget process for the coming fiscal year, which begins July 1, 2010, attempting to close a potential gap between anticipated revenues and expenditures of up to \$19 million or approximately 9% of the overall budget. In early May, the Mayor submitted a proposed balanced budget to the City Council, which eliminated 67 positions, including approximately 25 layoffs, and required employees to increase their overall contribution to their health insurance premium by 5%. Other significant health insurance benefits changes were also made. The proposed budget also included approximately \$5 million from additional revenue sources. The City Council, subject to a public hearing, has tentatively adopted a slightly modified version of the Mayor's budget for the Current Fiscal Year, but has not substantially altered any of the key components outlined above. See "FINANCIAL INFORMATION REGARDING SALT LAKE CITY, UTAH—Property Tax Matters" and "—Public Hearing on Certain Tax Increases" above.

TAX EXEMPTION

FEDERAL INCOME TAXATION

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

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Note Counsel, interest on the Notes is (a) excludable from the gross income of the owners thereof for federal income tax purposes, (b) not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations and (c) not taken into account in computing "adjusted current earnings" as described below.

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

The Internal Revenue Code of 1986, as amended (the “Code”), includes provisions for an alternative minimum tax (“AMT”) for corporations in addition to the corporate regular tax in certain cases. The AMT for a corporation, if any, depends upon the corporation’s alternative minimum taxable income (“AMTI”), which is the corporation’s taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation’s “adjusted current earnings” over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). “Adjusted current earnings” would generally include all tax-exempt interest, but not interest on the Notes.

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

The issue price (the “Issue Price”) for the Notes is the price at which a substantial amount of the Notes is first sold to the public. The Issue Price of the Notes may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

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

If a Note is purchased at any time for a price that is less than the Note’s stated redemption price at maturity, the purchaser will be treated as having purchased a Note with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Note is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Note. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Notes.

An investor may purchase a Note at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “note premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Note in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized note premium relating to a tax-exempt note. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As note premium is amortized, it reduces the investor’s basis in the Note. Investors who purchase a Note at a premium should consult their own tax advisors regarding the amortization of note premium and its effect on the Note’s basis

for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Note.

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

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

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

The Notes are treated as issued in 2010 or 2011 for purposes of Section 265(b)(7) of the Code relating to interest expense deductibility for financial institutions. The treatment of interest expense for financial institutions owning the Notes may be more favorable than the treatment provided to owners of notes issued before January 1, 2010, but may be less favorable than treatment provided to owners of bank qualified bonds. Financial institutions should consult their tax advisors concerning such treatment.

UTAH INCOME TAXATION

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

LITIGATION

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

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

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

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

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

LIMITED CONTINUING DISCLOSURE

As the Notes have a maturity less than 18 months, the City is exempt from the provisions of the Rule. However, pursuant to the Rule the City will enter into the Undertaking, in substantially the form attached hereto as APPENDIX B, for the benefit of the beneficial owners of the Notes to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of the Rule.

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

occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies.

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

APPROVAL OF LEGAL PROCEEDINGS

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

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

NOTE RATINGS

The City's \$20,000,000 Tax and Revenue Anticipation Notes, Series 2010 are rated "_____" by Moody's Investors Service, Inc. ("*Moody's*"). The City's \$19,000,000 Tax and Revenue Anticipation Notes, Series 2009 were rated "MIG1" by Moody's. The Series 2009 Notes matured on June 30, 2010.

BOND RATINGS

As of the date of this Official Statement, the City's outstanding general obligation bonds are rated "AAA" and "Aaa" by Fitch, Inc., and by Moody's Investors Service, Inc., respectively.

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

FINANCIAL ADVISOR

The City has entered into an agreement with Wells Fargo Securities (the "*Financial Advisor*"), whereunder the Financial Advisor provides financial recommendations and guidance

to the City with respect to preparation for sale of the Notes, timing of the sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Notes. The Financial Advisor has read, participated in the preparation of and provided information in certain provisions of the Official Statement, but has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Financial Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

INDEPENDENT AUDITORS

The basic financial statements of Salt Lake City Corporation as of and for the year ended June 30, 2009, included in APPENDIX A to this Official Statement, have been audited by Hansen, Barnett & Maxwell, P.C., independent auditors, as stated in their report appearing herein.

MISCELLANEOUS

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

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

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

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

SALT LAKE CITY, UTAH

By: _____
Mayor

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APPENDIX A

**SALT LAKE CITY CORPORATION FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

APPENDIX B

FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX C

DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND SALT LAKE COUNTY

POPULATION

YEAR	THE CITY	% INCREASE FROM PRIOR PERIOD	SALT LAKE COUNTY	% INCREASE FROM PRIOR PERIOD	THE STATE	% INCREASE FROM PRIOR PERIOD
2008 Estimate	181,698	(0.02)%	1,022,651	13.83%	2,736,424	22.54%
2000 Census	181,743	13.63	898,387	23.75	2,233,169	29.62
1990 Census	159,936	(1.90)	725,956	17.27	1,722,850	17.92
1980 Census	163,034	(7.31)	619,066	34.99	1,461,037	37.93
1970 Census	175,885	(7.16)	458,607	19.73	1,059,273	18.94
1960 Census	189,454	-	383,035	-	890,627	-

(Source: U.S. Census Bureau.)

PROPERTY VALUE OF PRE-AUTHORIZED CONSTRUCTION IN THE CITY

Year	NEW		ADDITIONS, ALTERATIONS AND REPAIRS		TOTAL CONSTRUCTION		% Change from Prior Period
	Number Dwelling Units	Residential Value (\$000)	Non-residential Value (\$000)	Residential Value (\$000)	Non-residential Value (\$000)	Value (\$000)	
2009	262	\$124,939.6	\$ 80,912.1	\$46,348.2	\$ 77,628.1	\$329,828.0	(43.2)
2008	508	156,110.9	289,111.1	29,438.6	105,808.0	580,468.6	13.0
2007	659	80,379.7	196,520.8	41,776.5	194,835.7	513,512.7	16.2
2006	310	47,442.9	181,304.3	41,807.7	171,432.7	441,987.6	(14.8)
2005	989	91,400.9	138,433.6	33,873.0	254,814.1	518,521.6	-

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

SALES AND BUILDING IN SALT LAKE COUNTY

SALES AND BUILDING	2008 ^(p)	2007	2006	2005	2004
Gross Taxable Sales (\$000s)	20,457,525	21,634,262	20,328,814	18,010,926	16,576,588
Permit Authorized Construction (\$000)	1,656,131	2,153,638	2,075,492	2,073,618	1,673,009
New Residential Building Permits	3,555	4,512	6,200	7,746	6,491
Residential Building Permit Value (\$000)	588,478	820,049	1,087,470	1,174,484	918,693

(p) Preliminary

(Source: Utah Department of Workforce Services.)

INCOME AND WAGES IN SALT LAKE COUNTY

<u>INCOME AND WAGES</u>	<u>2008</u> ^(p)	<u>2007</u> ^(p)	<u>2006</u>	<u>2005</u>	<u>2004</u>
Total Personal Income (\$Millions)	37,479.7	35,993.0	34,545.8	31,825.1	29,022.5
Per Capita Income	36,650	35,805	35,000	33,113	30,585
Average Family Income from IRS Returns	NA	62,447	62,142	57,801	53,944
Average Monthly Nonfarm Wage	3,470	3,406	3,212	3,063	2,956

(p) Preliminary
 (Source: Utah Department of Workforce Services.)

BUSINESS AND INDUSTRY

TAXABLE SALES AND LOCAL OPTION SALES TAX ALLOCATION — THE CITY

<u>YEAR ENDED</u> <u>JUNE 30</u>	<u>GROSS TAXABLE</u> <u>SALES</u>	<u>% CHANGE OVER</u> <u>PRIOR YEAR</u>	<u>NET LOCAL SALES TAX</u> <u>ALLOCATIONS</u>	<u>% CHANGE OVER</u> <u>PRIOR YEAR</u>
2008	\$5,515,186,562	8.3%	\$46,400,880	3.0%
2007	5,090,395,126	11.7	45,066,434	8.6
2006	4,556,959,418	9.2	41,502,433	9.0
2005	4,174,740,826	5.7	38,078,950	6.8
2004	3,948,617,045	-	35,657,054	-

(Source: Utah State Tax Commission.)

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SEVERAL OF THE LARGEST EMPLOYERS IN SALT LAKE COUNTY

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

FIRM NAME	APPROXIMATE NUMBER OF EMPLOYEES
University of Utah	20,000 +
Intermountain Health Care	15,000-19,999
State of Utah	10,000-14,999
Granite School District	5,000-9,999
Salt Lake County	5,000-9,999
Wal Mart	4,000-4,999
Jordan School District	4,000-4,999
Canyons School District	4,000-4,999
Salt Lake City School District	3,000-3,999
U.S. Postal Service	3,000-3,999
Delta Airlines	3,000-3,999
Salt Lake City Corporation	3,000-3,999
Zions First National Bank	3,000-3,999
L3 Communications Corp	2,000-2,999
Smith's Marketplace #7	2,000-2,999
Discover Products Inc	2,000-2,999
Associated Reg & Univ Pathology (ARUP)	2,000-2,999
Salt Lake Community College	2,000-2,999
United Parcel Service	2,000-2,999
Wells Fargo Bank N.A.	2,000-2,999
Skywest Airlines Inc	2,000-2,999

(Source: Utah Department of Workforce Services. As of December, 2009.)

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LABOR MARKET DATA OF SALT LAKE COUNTY

	<u>2008</u> ^(p)	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Labor Force	564,234	549,625	534,697	519,047	503,080
Employed	545,688	535,191	519,183	497,749	477,601
Unemployed	18,546	14,434	15,514	21,299	25,479
Rate	3.3%	2.6%	2.9%	4.1%	5.1%
Nonfarm Jobs	602,924	601,224	579,780	555,055	535,409
% Change Prior Year	0.3%	3.7%	4.5%	3.7%	1.4%
Mining	2,908	2,450	2,203	2,012	1,682
Construction	38,514	42,492	39,697	34,128	30,943
Manufacturing	55,323	55,775	53,385	51,138	50,235
Trade/Transportation/Utilities	125,980	125,060	120,294	117,178	114,096
Information	17,214	18,468	18,423	17,963	17,386
Financial Activities	49,436	49,816	47,299	44,719	43,418
Professional/Business Services	96,990	96,685	93,999	87,412	81,587
Education/Health/Social Services	61,097	57,845	54,973	53,610	51,418
Leisure/Hospitality	48,521	47,911	46,135	44,683	44,008
Other Services	18,818	18,734	18,140	17,786	17,527
Government	88,059	85,988	85,232	84,426	83,109
Total Establishments	37,677	37,727	37,887	35,975	33,990
Total Wages (\$Billions)	25,103.2	24,570.7	22,346.6	20,401.4	18,990.1

(p) Preliminary.

(Source: Utah Department of Workforce Services.)

RATE OF UNEMPLOYMENT — ANNUAL AVERAGE

<u>YEAR</u>	<u>SALT LAKE COUNTY</u>	<u>THE STATE</u>	<u>UNITED STATES</u>
2009	6.4%	6.7%	9.3%
2008	3.3	3.4	5.8
2007	2.6	2.7	4.6
2006	2.9	3.0	4.6
2005	4.1	4.2	5.1

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

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APPENDIX D
CASH FLOW SUMMARY

SALT LAKE CITY CORPORATION

GENERAL FUND CASH FLOW SUMMARY

Period covered: July 1, 2008 through June 30, 2009

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Beginning Balance	27,489,447	40,354,196	38,913,421	37,403,921	0	22,629,756	50,634,017	46,322,844	46,105,488	47,372,686	53,809,414	50,641,337	27,489,447
Receipts:													
Property taxes	755,648	771,725	553,764	563,899	23,807,100	29,986,812	891,802	632,660	1,568,266	4,773,432	1,127,070	788,850	66,221,028
Sales taxes	4,539,514	3,661,070	4,402,505	5,486,622	4,221,333	3,518,307	3,688,885	4,139,497	4,712,687	3,813,508	4,135,650	2,979,850	49,299,428
Franchise taxes	997,583	4,361,155	2,257,256	1,316,791	1,837,101	1,830,422	2,003,997	2,101,456	2,289,368	1,984,864	2,299,454	2,074,766	25,354,213
Licenses and permits	1,309,030	1,206,485	935,534	1,490,441	1,649,263	1,963,370	1,683,274	1,441,198	1,114,319	1,063,066	1,316,562	2,517,761	17,690,303
Federal grants	0	0	0	0	0	0	0	0	0	0	0	0	0
State grants	0	0	0	14,223	0	444,112	0	0	0	0	0	750,000	1,208,335
Other local sources	33,335	18,483	189,314	98,418	47,052	251,289	76,010	45,792	148,255	284,213	2,308,992	311,992	3,813,145
Interest	686,243	377,085	352,770	564,037	380,353	324,047	324,759	213,091	217,265	226,559	180,934	632,148	4,479,291
Interest allocation	(191,679)	(214,877)	(243,049)	(277,040)	(251,171)	(222,102)	(216,583)	(169,120)	(124,400)	(106,107)	(93,657)	17,406	(2,092,379)
Fines and forfeitures	703,526	710,574	879,190	871,619	789,100	769,437	745,971	835,075	1,074,249	932,269	812,955	836,671	9,960,636
Parking meter collections	139,797	194,255	171,874	161,943	76,113	48,821	86,206	211,489	141,869	125,762	130,043	158,088	1,646,260
Charges for services	161,979	410,021	375,914	395,505	369,710	347,369	383,127	299,522	302,314	286,302	289,917	506,629	4,128,309
Interfund reimbursements	10,000	313,618	1,633,235	716,585	326,028	1,441,563	780,350	40,000	1,863,067	595,846	321,510	1,467,425	9,509,227
Miscellaneous revenue	112,457	93,442	74,376	101,280	77,952	73,819	105,702	109,206	84,597	85,710	89,608	89,741	1,097,890
Interfund borrowing	0	0	0	1,089,969	0	0	0	0	0	0	0	0	1,089,969
Transfers-in	143,737	143,876	143,774	665,127	550,293	1,433,645	272,136	1,622,408	166,876	4,101,939	172,307	203,486	9,619,604
Note proceeds	25,000,000	0	0	0	0	0	0	0	0	0	0	0	25,000,000
Total receipts	34,401,170	12,046,912	11,726,457	13,259,419	33,880,227	42,210,911	10,825,636	11,522,274	13,558,732	18,167,363	13,091,345	13,334,813	228,025,259
Disbursements:													
Salaries and benefits	9,820,333	10,250,260	9,715,232	16,592,325	7,600,819	11,025,911	10,345,375	9,878,849	11,425,997	9,650,474	13,231,686	12,463,780	132,001,040
Services and support	11,595,838	3,068,673	2,791,637	3,633,021	2,414,831	3,013,314	4,596,857	1,668,586	759,708	2,010,491	2,870,667	2,167,867	40,591,491
Capital outlay	120,250	168,754	729,088	289,895	144,852	167,425	115,154	84,855	105,829	69,670	108,137	176,036	2,279,945
Transfers out	0	0	0	30,148,099	0	0	79,423	107,340	0	0	48,932	0	30,383,794
Interfund payback	0	0	0	0	1,089,969	0	0	0	0	0	0	0	1,089,969
Note principal	0	0	0	0	0	0	0	0	0	0	0	25,000,000	25,000,000
Note interest	0	0	0	0	0	0	0	0	0	0	0	751,658	751,658
Total disbursements	21,536,421	13,487,687	13,235,957	50,663,340	11,250,471	14,206,650	15,136,809	11,739,630	12,291,534	11,730,635	16,259,422	40,559,341	232,097,897
Ending Balance	40,354,196	38,913,421	37,403,921	0	22,629,756	50,634,017	46,322,844	46,105,488	47,372,686	53,809,414	50,641,337	23,416,809	23,416,809

SALT LAKE CITY CORPORATION

GENERAL FUND CASH FLOW SUMMARY

Actuals Through April 30, 2010

Period covered: July 1, 2009 through June 30, 2010

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Beginning Balance	23,416,809	30,918,388	28,412,901	0	0	4,441,013	48,399,562	41,032,546	42,026,108	41,820,333	40,207,435	40,768,323	23,416,809
Receipts:													
Property taxes	771,935	992,399	677,565	607,731	12,686,656	42,673,387	269,014	725,150	1,387,997	5,351,474	1,522,892	963,465	68,629,665
Sales taxes	3,110,559	4,368,845	3,398,237	3,478,420	3,439,952	3,588,151	2,788,831	4,650,993	4,420,535	2,920,313	4,403,065	2,554,684	43,122,585
Franchise taxes	1,946,419	2,222,151	2,507,607	2,679,780	1,818,694	2,091,549	1,797,786	2,406,535	2,325,047	1,545,468	3,258,306	3,181,430	27,780,771
Licenses and permits	2,204,910	0	1,143,069	1,261,643	1,035,246	1,440,477	1,166,354	1,610,792	829,280	1,007,201	1,125,749	1,968,232	14,792,952
Federal grants	0	0	0	0	0	0	0	0	0	240	0	0	240
State grants	0	0	0	0	0	484,836	0	0	0	0	0	3,000,240	3,485,076
Other local sources	12,839	63,888	26,585	256,401	243,212	86,007	119,394	76,171	240,471	94,345	293,704	93,933	1,606,950
Interest	520,969	112,324	90,484	114,393	78,566	93,562	108,027	83,029	98,010	77,755	342,932	359,869	2,079,920
Interest allocation	(80,733)	(75,974)	(67,588)	(65,333)	(65,758)	(56,692)	(60,962)	(23,368)	(46,009)	(40,635)	(257,074)	(135,204)	(975,319)
Fines and forfeitures	784,589	756,622	809,902	864,392	804,025	744,719	686,402	919,370	1,057,836	922,955	961,909	1,250,670	10,563,391
Parking meter collections	119,451	219,105	461,939	123,814	132,489	4,164	63,663	401,849	45,901	135,468	142,716	158,793	2,009,351
Charges for services	323,863	135,774	408,891	292,383	397,853	260,969	270,533	400,657	421,807	111,259	378,642	570,723	3,973,352
Interfund reimbursements	95,995	647,534	1,610,122	90,733	69,000	1,501,589	422,775	1,079,722	1,182,504	608,308	339,953	1,711,000	9,359,234
Miscellaneous revenue	87,527	110,165	94,644	124,539	69,965	178,788	126,194	132,956	100,377	171,309	99,119	99,914	1,395,496
Interfund Borrowing	0	0	140,377	4,261,025	0	0	0	0	0	0	0	0	4,401,402
Transfers-in	166,990	19,885	323,065	1,933,033	172,188	3,159,340	204,395	166,895	166,895	3,652,094	77,997	169,901	10,212,675
Note proceeds	19,000,000	0	0	0	0	0	0	0	0	0	0	0	19,000,000
Total receipts	29,065,313	9,572,718	11,624,899	16,022,954	20,882,088	56,250,846	7,962,406	12,630,751	12,230,651	16,557,554	12,689,910	15,947,650	221,437,741
Disbursements:													
Salaries and benefits	9,796,188	9,986,222	8,778,512	13,855,962	9,739,361	9,143,951	10,478,429	9,423,614	10,646,460	15,459,983	9,389,370	9,021,159	125,719,211
Services and support	11,766,886	2,061,814	2,284,826	2,134,432	2,260,093	3,121,752	4,806,455	2,081,896	1,742,408	2,610,650	2,454,446	4,558,256	41,883,914
Capital outlay	660	30,169	7,944	32,560	40,219	26,594	44,538	19,922	47,558	99,819	285,206	1,072,919	1,708,108
Transfers out	0	0	28,966,518	0	0	0	0	111,757	0	0	0	0	29,078,275
Interfund Payback	0	0	0	0	4,401,402	0	0	0	0	0	0	0	4,401,402
Note principal	0	0	0	0	0	0	0	0	0	0	0	19,000,000	19,000,000
Note interest	0	0	0	0	0	0	0	0	0	0	0	463,125	463,125
Total disbursements	21,563,734	12,078,205	40,037,800	16,022,954	16,441,075	12,292,297	15,329,422	11,637,189	12,436,426	18,170,452	12,129,022	34,115,459	222,254,035
Ending Balance	30,918,388	28,412,901	0	0	4,441,013	48,399,562	41,032,546	42,026,108	41,820,333	40,207,435	40,768,323	22,600,514	22,600,514

SALT LAKE CITY CORPORATION

GENERAL FUND CASH FLOW FORECAST SUMMARY

Period covered: July 1, 2010 through June 30, 2011

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Beginning Balance	22,600,514	30,090,686	29,254,259	28,632,174	7,575,813	19,846,040	49,575,029	46,314,243	44,936,785	47,589,452	47,586,382	45,066,320	22,600,514
Receipts:													
Property taxes	714,862	975,055	683,891	644,907	15,558,889	34,067,252	892,013	764,734	3,407,460	2,747,750	1,297,689	820,927	62,575,428
Sales taxes	3,369,673	3,698,177	4,121,582	3,987,362	3,860,450	3,238,498	3,315,524	4,201,044	3,713,573	3,453,354	4,134,804	2,399,081	43,493,122
Franchise taxes	1,758,518	3,855,081	1,913,046	2,018,628	2,209,105	2,117,305	2,364,947	2,095,836	2,338,419	2,595,035	2,371,936	2,315,944	27,953,800
Licenses and permits	1,137,544	1,192,849	545,972	1,300,532	1,496,567	1,489,232	1,850,673	1,257,287	1,166,422	1,204,671	1,189,381	2,079,468	15,910,598
Federal grants	0	0	0	0	0	0	0	0	0	0	0	0	0
State grants	242,418	0	750,000	0	0	750,000	483,828	0	750,000	0	0	750,000	3,726,246
Other local sources	9,114	42,208	139,871	67,865	49,619	161,195	55,311	68,457	135,264	130,456	648,189	207,308	1,714,857
Interest	126,122	104,917	96,038	110,918	97,658	107,687	104,518	101,701	88,294	90,107	84,455	87,585	1,200,000
Interest Allocation	(54,114)	(79,758)	(75,781)	(73,877)	(72,331)	(70,114)	(61,273)	(58,615)	(58,782)	(48,568)	(44,610)	(22,177)	(720,000)
Fines and forfeitures	782,334	816,014	828,505	863,386	851,896	753,704	797,124	891,848	1,017,690	938,578	869,585	1,130,652	10,541,316
Parking meter collections	93,100	248,520	133,875	148,016	85,761	22,057	127,938	140,821	158,494	159,972	132,746	147,700	1,599,000
Charges for services	203,780	321,241	310,947	386,536	326,071	252,128	265,506	374,774	305,309	238,639	287,898	433,955	3,706,784
Interfund reimbursements	331,333	331,333	1,649,745	331,333	331,333	1,649,745	331,333	331,333	1,649,746	331,333	331,333	1,649,746	9,249,646
Miscellaneous revenue	61,812	55,569	55,372	62,186	351,732	56,857	64,273	62,447	56,134	60,983	65,622	66,149	1,019,136
Transfers-in	88,084	166,741	128,674	288,631	253,485	531,442	215,809	581,624	95,742	1,374,824	137,405	299,310	4,161,771
Note proceeds	20,000,000	0	0	0	0	0	0	0	0	0	0	0	20,000,000
Total receipts	28,864,580	11,727,947	11,281,737	10,136,423	25,400,235	45,126,988	10,807,524	10,813,291	14,823,765	13,277,134	11,506,433	12,365,648	206,131,704
Disbursements:													
Salaries and benefits	10,196,002	10,011,443	9,218,487	11,514,433	10,546,405	12,125,818	10,078,378	9,743,961	10,036,917	10,833,122	11,659,637	11,407,439	127,372,042
Services and support	11,154,386	2,490,046	2,571,426	1,832,477	2,532,354	3,231,377	3,947,188	2,392,855	2,090,169	2,397,923	2,328,814	3,934,492	40,903,507
Capital outlay	24,020	62,885	113,909	81,683	51,248	40,804	42,744	53,933	44,012	49,159	38,044	143,522	745,963
Transfers out	0	0	0	17,764,191	0	0	0	0	0	0	0	0	17,764,191
Note principal	0	0	0	0	0	0	0	0	0	0	0	20,000,000	20,000,000
Note interest	0	0	0	0	0	0	0	0	0	0	0	420,000	0
Total disbursements	21,374,408	12,564,374	11,903,822	31,192,784	13,130,007	15,397,999	14,068,310	12,190,749	12,171,098	13,280,204	14,026,495	35,905,453	206,785,703
Ending Balance	30,090,686	29,254,259	28,632,174	7,575,813	19,846,040	49,575,029	46,314,243	44,936,785	47,589,452	47,586,382	45,066,320	21,526,515	21,526,515
Cum. Cash (Def.)/Surp. (excluding Note Proceeds)	10,090,686	9,254,259	8,632,174	(12,424,187)	(153,960)	29,575,029	26,314,243	24,936,785	27,589,452	27,586,382	25,066,320	21,526,515	

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

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

DATED: JULY 22, 2010

THIS CONTINUING DISCLOSURE UNDERTAKING (the "*Agreement*") is executed and delivered by Salt Lake City, Utah (the "*City*"), in connection with the issuance of its \$20,000,000 Tax and Revenue Anticipation Notes, Series 2010 (the "*Notes*"). The Notes are being issued pursuant to a resolution adopted by the City Council of the City on _____, 2010 (the "*Resolution*").

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

Section 1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the City as of the date set forth above, for the benefit of the beneficial owners of the Notes and in order to assist the Participating Underwriters in complying with the requirements of the Rule. As the Notes have a stated maturity of 18 months or less, this Agreement is prepared in compliance with paragraph (d)(3) of the Rule. The City represents that it will be the only obligated person with respect to the Notes at the time the Notes are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Notes.

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

"*Commission*" means the Securities and Exchange Commission.

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

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

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Material Event*" means the occurrence of any of the Events with respect to the Notes set forth in *Exhibit I* that is material, as materiality is interpreted under the Exchange Act.

"*Material Events Disclosure*" means dissemination of a notice of a Material Event as set forth in Section 4.

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

“State” means the State of Utah.

“Undertaking” means the obligations of the City pursuant to Section 4.

Section 3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Number of the Notes is _____. The final Official Statement relating to the Notes is dated _____, 2010. The City will include the CUSIP Number in all disclosure described in Section 4 of this Agreement.

Section 4. MATERIAL EVENTS DISCLOSURE. Subject to Section 7 of this Agreement, the City hereby covenants that it will disseminate in a timely manner Material Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

Section 5. CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION. In the event of a failure of the City to comply with any provision of this Agreement, the beneficial owner of any Note may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

Section 6. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the City, by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

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

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

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Notes, as determined by parties unaffiliated with the City or any other obligated person (such as Note Counsel).

Section 7. TERMINATION OF UNDERTAKING. The Undertaking of the City shall be terminated hereunder if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Notes under the Resolution. The City shall give notice to EMMA in a timely manner if this Section is applicable.

Section 8. DISSEMINATION AGENT. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 9. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event.

Section 10. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; *however*, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Notes, and shall create no rights in any other person or entity.

Section 11. RECORDKEEPING. The City shall maintain records of all Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 12. ASSIGNMENT. The City shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking under the Rule.

Section 13. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

(Signature page follows.)

DATED as of the day and year first above written.

SALT LAKE CITY, UTAH

By _____
Mayor

[SEAL]

ATTEST AND COUNTERSIGN:

By _____
City Recorder

APPROVED AS TO FORM:

By _____
Senior City Attorney

EXHIBIT I

EVENTS WITH RESPECT TO THE NOTES FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Note calls*
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

* However, the Notes are not subject to call and redemption prior to maturity.