

SALT LAKE COUNTY, UTAH

PROCEEDINGS AUTHORIZING AND APPROVING THE ISSUANCE AND THE SALE BY THE
MUNICIPAL BUILDING AUTHORITY OF SALT LAKE COUNTY, UTAH OF UP TO
\$50,000,000 OF THE AUTHORITY'S LEASE REVENUE BONDS, SERIES 2018

RESOLUTION No. _____

ADOPTED OCTOBER 9, 2018

A RESOLUTION OF THE COUNTY COUNCIL OF SALT LAKE COUNTY, UTAH (THE "*County*") AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO MASTER LEASE AGREEMENT, BY AND BETWEEN THE COUNTY AS LESSEE AND THE MUNICIPAL BUILDING AUTHORITY OF SALT LAKE COUNTY, UTAH AS LESSOR; AUTHORIZING THE AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING AND APPROVING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 2018, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000 TO (A) FINANCE THE COSTS OF LIBRARIES AND RELATED FACILITIES, (B) FUND A DEPOSIT TO A DEBT SERVICE RESERVE FUND AND (C) PAY COSTS ASSOCIATED WITH THE ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENTAL INDENTURE OF TRUST, A GROUND LEASE AGREEMENT AND CERTAIN SECURITY DOCUMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING AND APPROVING THE USE OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT; GIVING AUTHORITY TO CERTAIN OFFICERS TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, Salt Lake County, Utah (the "*County*") is a body corporate and politic duly and regularly created, established, organized and existing under and by virtue of the Constitution and laws of the State of Utah;

WHEREAS, the County has previously authorized and directed the creation of the Municipal Building Authority of Salt Lake County, Utah (the "*Authority*") pursuant to a resolution adopted on November 20, 1991 (the "*Creating Resolution*");

WHEREAS, pursuant to the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue

of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (collectively, the “*Building Authority Act*”);

WHEREAS, under the Articles of Incorporation of the Authority (the “*Articles*”), the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the County in accordance with the procedures and subject to the limitations of the Building Authority Act in order to accomplish the public purposes for which the County exists;

WHEREAS, pursuant to the provisions of the Building Authority Act and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (collectively, the “*Act*”) the Authority has authority to issue its lease revenue bonds for the purpose of financing certain improvements for and on behalf of the County;

WHEREAS, the County desires to finance the costs of (a) remodeling (i) the Holladay library and (ii) the library operations center and (b) acquiring and constructing new libraries to be located in Daybreak and Kearns, including any related facilities (collectively, the “*Series 2018 Project*”);

WHEREAS, the Authority proposes to finance the Series 2018 Project and to pay costs of issuance by issuing its Lease Revenue Bonds, Series 2018 in an aggregate principal amount not to exceed \$50,000,000 (the “*Series 2018 Bonds*”), to be issued pursuant to the terms of the General Indenture of Trust, dated as of December 1, 2009 as heretofore amended and supplemented (the “*General Indenture*”) between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”), a copy of which is attached hereto as *Exhibit A*, as further amended and supplemented by a Second Supplemental Indenture of Trust (the “*Second Supplemental Indenture*”) between the Trustee and the Authority, in substantially the form presented to this meeting and attached hereto as *Exhibit B* (the General Indenture and the Second Supplemental Indenture are sometimes collectively referred to herein as the “*Indenture*”);

WHEREAS, pursuant to the Act, a Notice of Public Hearing and Bonds to be Issued (the “*Notice*”) will be published (i) once a week for two consecutive weeks in *The Salt Lake Tribune* and the *Deseret News*, newspapers of general circulation in the County and (ii) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, no less than 14 days before the public hearing that is to be held on October 30, 2018, and will notice a public hearing and a 30-day period in which the registered voters of the County may submit a written petition requesting an election to approve or disapprove the issuance of the Series 2018 Bonds;

WHEREAS, pursuant to the Act, a public hearing will be held on October 30, 2018 to receive input from the public with respect to (i) the issuance by the Authority of the Series 2018 Bonds and (ii) any potential economic impact that the improvements, facility or property financed in whole or in part with the proceeds of the Series 2018 Bonds may have on the private sector;

WHEREAS, the County is (or expects to be) the owner of fee simple title to or a leasehold interest in certain of the sites on which a portion of the Series 2018 Project is located and the County desires to lease such property to the Authority pursuant to the terms and provisions of a Ground Lease Agreement (the “*Ground Lease*”) in substantially the form presented to this meeting and attached hereto as *Exhibit C* and herein authorized and approved;

WHEREAS, the County desires to lease the Series 2018 Project, as lessee, from the Authority, as lessor, pursuant to the terms and provisions of an annually renewable Master Lease Agreement dated as of December 1, 2009 (the “*Master Lease*”), a copy of which is attached hereto as *Exhibit D*, and a First Amendment to Master Lease Agreement, in substantially the form presented to this meeting and attached hereto as *Exhibit E* (the “*First Amendment*” and, collectively with the Master Lease, the “*Lease*”);

WHEREAS, the plans and specifications for, and the estimated costs of the acquisition and construction of, the Series 2018 Project, including a certificate of the engineer/architect for the Series 2018 Project setting forth the estimated useful life of the Series 2018 Project, have been or will be submitted to the County for approval prior to the issuance of the Series 2018 Bonds;

WHEREAS, to further secure its payment obligations under the Indenture, the Authority proposes to grant a lien on and security interest in the Series 2018 Project pursuant to (i) a Leasehold Deed of Trust, Assignment of Rents and Security Agreement and (ii) an Assignment of Ground Lease, in substantially the forms presented to this meeting and attached hereto as *Exhibit F* (the “*Security Documents*”) for the benefit of the holders of the Series 2018 Bonds and as provided in the Indenture;

WHEREAS, the County desires to approve the preparation, use and distribution of a Preliminary Official Statement (the “*Preliminary Official Statement*”), in substantially the form attached hereto as *Exhibit G*, and a final Official Statement, in substantially the form of the Preliminary Official Statement, with respect to the Series 2018 Bonds;

WHEREAS, the Authority and the County have determined to sell the Series 2018 Bonds to Wells Fargo Bank, National Association (the “*Underwriter*”) pursuant to the terms of the Bond Purchase Agreement (the “*Purchase Agreement*”) among the Authority, the County, and the Underwriter, in the form before this meeting and attached hereto as *Exhibit H*;

WHEREAS, the County desires to improve and promote the local health and general welfare of the citizens of the County by entering into the documents and taking the actions described above;

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the County Council and, therefore, it is necessary that the County Council authorize certain actions by the Authority in connection with the transactions contemplated hereby in connection with the issuance of the Series 2018 Bonds; and

WHEREAS, there has been presented to the County Council the First Amendment, the Second Supplemental Indenture, the Purchase Agreement, the Ground Lease, the Preliminary Official Statement, the Official Statement and the Security Documents for the purpose of obtaining

the approval and authorization of the County Council of the terms and provisions thereof and for the purpose of confirming the execution thereof (where required) as the official act of the County.

Now, THEREFORE, BE IT RESOLVED by the County Council of Salt Lake County, Utah, as follows:

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the County Council and by the officers of the County directed toward the creation and establishment of the Authority, the issuance of the Series 2018 Bonds, including without limitation the financing and leasing of the Series 2018 Project by the Authority to the County pursuant to the Lease and the Ground Lease, are hereby ratified, approved and confirmed.

Section 2. The County Council hereby finds and determines, pursuant to the Constitution and laws of the State of Utah, that the leasing of the Series 2018 Project under the terms and provisions and for the purposes set forth in the Lease, the Ground Lease and the other documents, instruments and conveyances hereinafter approved and authorized, is necessary, convenient and in furtherance of the governmental and proprietary purposes of the County and is in the best interest of the citizens of the County, and the County Council hereby authorizes the financing of the Series 2018 Project by the Authority in accordance with the provisions of the Indenture and the leasing of the Series 2018 Project in the manner provided in the Lease and the Ground Lease. As provided in the Lease, the County and the Authority are hereby authorized to undertake the acquisition and construction of the Series 2018 Project and to execute and deliver agreements with respect to such acquisition and construction.

Section 3. For the purposes set forth above and in accordance with the Act, there is hereby approved the execution, issuance, sale and delivery of the Series 2018 Bonds in an aggregate principal amount not to exceed \$50,000,000. The Series 2018 Bonds shall be dated as of the date of the initial delivery thereof and shall mature on the dates and in the principal amounts and shall bear interest payable on the dates and at the rates per annum determined by the Designated Officer (defined below) in the Certificate of Determination (defined below). If the Designated Officer determines pursuant to Section 4 hereof that the principal amount to be issued shall be less than Fifty Million Dollars (\$50,000,000), then the principal of the Series 2018 Bonds shall be limited to the amount so determined by the Designated Officer. The Series 2018 Bonds shall be in authorized denominations, shall be payable, and shall be executed and delivered all as provided in the Indenture. The Series 2018 Bonds shall be subject to redemption prior to maturity as provided in the Certificate of Determination and the Second Supplemental Indenture.

Section 4. There is hereby delegated to the Designated Officer, subject to the limitations contained in this Resolution, the power to approve the following terms with respect to the Series 2018 Bonds and the Designated Officer is hereby authorized to make such approvals:

(a) the principal amount of the Series 2018 Bonds necessary to accomplish the purpose of the Series 2018 Bonds set forth in the preamble to this Resolution and the aggregate principal amount of the Series 2018 Bonds to be executed and delivered pursuant

to the Indenture and this Resolution; *provided* that the aggregate principal amount of the Series 2018 Bonds shall not exceed Fifty Million Dollars (\$50,000,000);

(b) the maturity date or dates and principal amount of each maturity of the Series 2018 Bonds to be issued; *provided, however*, that the Series 2018 Bonds mature over a period of not to exceed twenty-three (23) years from their date or dates;

(c) the interest rate or rates of the Series 2018 Bonds, *provided, however*, that the interest rate or rates to be borne by any Series 2018 Bond shall not exceed five and a half percent (5.50%) per annum;

(d) if different than those specified in Section 2(a), the interest payment dates and the date on which payment of interest will commence;

(e) the sale of the Series 2018 Bonds and the purchase price to be paid by the, the Underwriter; *provided, however*, that the discount from par of the Series 2018 Bonds shall not exceed two percent (2.00%) (expressed as a percentage of the principal amount);

(f) the Series 2018 Bonds subject to redemption at the election of the Authority and the date such Series 2018 Bonds are first subject to redemption as provided in the Indenture; *provided, however*, that the first date the Series 2018 Bonds shall be subject to redemption not sooner than seven (7) years from the date of issuance thereof;

(g) the Series 2018 Bonds, if any, to be retired from mandatory sinking fund redemption payments and the dates and the amounts thereof;

(h) the final use and deposit of the proceeds of the Series 2018 Bonds;

(i) whether the new library to be located in Kearns will be financed with the proceeds of the Series 2018 Bonds and will be included as part of the Series 2018 Project; and

(j) any other provisions deemed advisable by the Designated Officer not materially in conflict with the provisions of this Resolution.

Immediately following the sale of the Series 2018 Bonds the Designated Officer shall obtain such information as he or she deems necessary to make such determinations as provided above. Thereupon, the Designated Officer shall make such determinations as provided above, shall execute a Certificate of Determination, the form of which is attached hereto as *Exhibit I*, of the Designated Officer delivered pursuant to Section 3 of this Resolution, setting forth certain approved terms and provisions of the Series 2018 Bonds (the “*Certificate of Determination*”), containing such approved terms and provisions of the Series 2018 Bonds, which execution shall be conclusive evidence of the approval of the Series 2018 Bonds by the Designated Officer as to the matters stated therein. The provisions of the Certificate of Determination shall be deemed to be incorporated in this Resolution.

For purposes of this Resolution, “*Designated Officer*” means (a) the Mayor, the Deputy Mayor for Finance and Administration and Chief Financial Officer (the “*Chief Financial Officer*”), the Deputy Mayor for Operations and Chief Operations Officer, the Deputy Mayor for Community and External Affairs, and the Deputy Mayor for County Services and Chief Administrative Officer of the County (collectively, the “*Mayor*”); or (b) any other officers or employees of the County who are duly authorized to execute contracts, obligations or other documents of the County.

Section 5. The First Amendment, the Ground Lease, the Second Supplemental Indenture, the Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Security Documents, in substantially the respective forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized and confirmed, and the Mayor is authorized to execute and deliver the First Amendment, the Ground Lease, the Official Statement and the Purchase Agreement in the forms and with substantially the same content as attached hereto for and on behalf of the County. When authorized by the Governing Body of the Authority, the County hereby approves and authorizes the execution and delivery of the First Amendment, the Ground Lease, the Official Statement, the Second Supplemental Indenture, the Security Documents and the Purchase Agreement, by the Authority in substantially the forms presented to this meeting and attached hereto as exhibits for and on behalf of the Authority.

Section 6. For the purpose of providing funds to finance the acquisition of the Series 2018 Project, fund a deposit to a debt service reserve fund and to pay certain costs of issuance and for such other purposes as may be authorized under the Indenture, the Authority shall issue the Series 2018 Bonds which shall be designated as provided in the Second Supplemental Indenture.

Section 7. The County hereby authorizes the preparation and utilization of the Preliminary Official Statement in substantially the form attached hereto as *Exhibit G* and hereby approves the final Official Statement in substantially the form of the Preliminary Official Statement. If necessary, the Mayor is hereby authorized to execute the final Official Statement evidencing its acceptance by the County.

Section 8. The Authority is authorized to issue and sell the Series 2018 Bonds to the Underwriters pursuant to the terms of the Purchase Agreement and the Certificate of Determination. The Series 2018 Bonds shall be dated as of the date of delivery and shall bear interest and mature as set forth in the Second Supplemental Indenture.

The form, terms and provisions of the Series 2018 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, tender and number shall be as set forth in the Indenture in the form to be executed by the Authority. The Series 2018 Bonds shall mature prior to the expiration of the estimated useful life of the Series 2018 Project. The President (as defined in the resolution of the Authority authorizing the issuance of the Series 2018 Bonds) of the Authority is hereby authorized to execute the Series 2018 Bonds and to deliver the Series 2018 Bonds to the order of the Underwriter. The Secretary (as defined in the resolution of the Authority authorizing the issuance of the Series 2018 Bonds) of the Authority is authorized to attest to the signature of such President and to cause the seal of the Authority (or

a facsimile thereof) to be affixed to the Series 2018 Bonds. The signatures of the President and the Secretary of the Authority may be by facsimile or manual execution.

Section 9. The appropriate officers of the Authority and the County are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and are authorized to take all action necessary in conformity with the Act and the Articles to finance the Series 2018 Project, to acquire the Series 2018 Project and to lease the Series 2018 Project pursuant to the Lease, including, without limitation, the execution and delivery of any facilities leases, closing and other documents required to be delivered in connection with the sale and delivery of the Series 2018 Bonds.

Section 10. Upon their issuance, the Series 2018 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2018 Bonds and the Indenture. No provision of this Resolution, the Lease, the Ground Lease, the Preliminary Official Statement, the Official Statement, the Indenture, the Series 2018 Bonds, the Security Documents, nor any other instrument authorized hereby, shall be construed as creating a general obligation of the Authority or of creating a general obligation of the County, the State of Utah or any political subdivision of the State of Utah, nor as incurring or creating a charge upon the general credit of the County or against its taxing powers. Except as otherwise provided in the Lease, the County shall not be obligated to pay out of its funds, revenues, or accounts, or to make any payment in respect of the Series 2018 Bonds, Base Rentals, Additional Rentals and Purchase Option Price pursuant to the Lease (as those terms are defined in the Lease). The obligation of the County to pay any such rentals, and the obligation of the Authority to pay the Series 2018 Bonds will not constitute a general obligation or a debt of the County, the Authority, the State of Utah or any political subdivision of the State of Utah. The Series 2018 Bonds are not an indebtedness or a liability of the County, the Authority or the State of Utah.

Section 11. The Mayor is hereby authorized to make any alterations, changes or additions in the First Amendment, the Preliminary Official Statement, the Official Statement or the Ground Lease herein approved and authorized necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments and the agreement with the Underwriter, to the provisions of this Resolution, the Creating Resolution, or the provisions of the laws of the State of Utah or the United States.

Section 12. The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the First Amendment, the Ground Lease, the Second Supplemental Indenture and the Security Documents herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments and the agreement with the Underwriter, to the provisions of this Resolution, the Creating Resolution or any resolution adopted by the County or the Authority, or the provisions of the laws of the State of Utah or the United States.

Section 13. If any provision of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 14. The County Clerk and the Deputy County Clerk are hereby authorized to attest to all signatures and acts of any proper official of the County, and, as necessary, to place the seal of the County on the First Amendment, the Ground Lease and the Purchase Agreement. The Mayor and other proper officials of the County and each of them, are hereby authorized to execute and deliver for and on behalf of the County any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized. Any action authorized to be taken by the Mayor of the County may, in his absence, be taken by any duly authorized acting mayor.

Section 15. The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and, as necessary, to place the seal of the Authority on the First Amendment, the Ground Lease, the Second Supplemental Indenture, the Security Documents, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters authorized in this resolution and any resolution of the Authority.

Section 16. This Resolution shall become effective immediately upon its adoption by the County Council.

Section 17. All bylaws, orders and resolutions of the County or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

(Signature page follows.)

PASSED by the County Council of Salt Lake County, Utah, this 2nd day of October, 2018.

SALT LAKE COUNTY, UTAH

By _____
Chair

ATTEST:

Deputy County Clerk

[SEAL]

EXHIBIT A

[ATTACH COPY OF GENERAL INDENTURE OF TRUST]

EXHIBIT B

[ATTACH FORM OF SECOND SUPPLEMENTAL INDENTURE]

EXHIBIT C

[ATTACH FORM OF GROUND AGREEMENT]

EXHIBIT D

[ATTACH COPY OF MASTER LEASE AGREEMENT]

EXHIBIT E

[ATTACH FORM OF FIRST AMENDMENT TO MASTER LEASE AGREEMENT]

EXHIBIT F

[ATTACH FORMS OF SECURITY AGREEMENTS]

EXHIBIT G

[ATTACH FORM OF PRELIMINARY OFFICIAL STATEMENT]

EXHIBIT H

[ATTACH FORM OF BOND PURCHASE AGREEMENT]

EXHIBIT I
[ATTACH FORM OF CERTIFICATE OF DETERMINATION]