



MURRAY
CITY COUNCIL

NOTICE OF JOINT MEETING
MURRAY CITY MUNICIPAL COUNCIL
AND MURRAY CITY LIBRARY BOARD

PUBLIC NOTICE IS HEREBY GIVEN that there will be a joint meeting of the Murray City Municipal Council and the Murray City Library Board on Tuesday, January 8, 2013, at the Murray City Center, 5025 South State Street, Murray, Utah.

5:30 p.m. Council Chambers Jim Brass, Council Chair, Conducting

1. Business Items

1.1 Discussion regarding the real property agreement with Murray City (Murray City Library) and the Murray City School District – Frank Nakamura and G.L. Critchfield

2. Announcements

3. Adjournment

NOTICE

SPECIAL ACCOMMODATIONS FOR THE HEARING OR VISUALLY IMPAIRED WILL BE MADE UPON A REQUEST TO THE OFFICE OF THE MURRAY CITY RECORDER (801-264-2660). WE WOULD APPRECIATE NOTIFICATION TWO WORKING DAYS PRIOR TO THE MEETING. TDD NUMBER IS 801-270-2425 or call Relay Utah at #711.

Council Members may participate in the meeting via telephonic communication. If a Council Member does participate via telephonic communication, the Council Member will be on speaker phone. The speaker phone will be amplified so that the other Council Members and all other persons present in the Council Chambers will be able to hear all discussions.

On Friday, December 28, 2012, at 9:00 a.m., a copy of the foregoing notice was posted in conspicuous view in the front foyer of the Murray City Center, Murray, Utah. Copies of this notice were provided for the news media in the Office of the City Recorder and also sent to them by facsimile copy. A copy of this notice was posted on Murray City's internet website www.murray.utah.gov, and the state noticing website at <http://pmn.utah.gov>.

Janet M. Lopez
Council Administrator
Murray City Municipal Council

Murray City Municipal Council

Request for Council Action

INSTRUCTIONS: The City Council considers new business items in Council meeting. All new business items for the Council must be submitted to the Council office, Room, 112, no later than 5:00 p.m. on the Wednesday two weeks before the Council meeting in which they are to be considered. This form must accompany all such business items. If you need additional space for any item below, attach additional pages with corresponding number and label.

1. TITLE: (Similar wording will be used on the Council meeting agenda.)

DISCUSSION REGARDING THE REAL PROPERTY AGREEMENT WITH MURRAY CITY (MURRAY CITY LIBRARY) AND THE MURRAY CITY SCHOOL DISTRICT

2. KEY PERFORMANCE AREA: (Please explain how request relates to Strategic Plan Key Performance Areas.)
Well Maintained, Planned and Protected Infrastructure and Assets

3. MEETING, DATE & ACTION: (Check all that apply)

Council Meeting OR Committee of the Whole

Date requested January 8, 2013

Discussion Only

Ordinance (attach copy)

Has the Attorney reviewed the attached copy?

Resolution (attach copy)

Has the Attorney reviewed the attached copy?

Public Hearing (attach copy of legal notice)

Has the Attorney reviewed the attached copy?

Appeal (explain)

Other (explain) Joint Meeting with the City Council and Murray City Library Board.

4. FUNDING: (Explain budget impact of proposal, including amount and source of funds.)
To be explained

5. RELATED DOCUMENTS: (Attach and describe all accompanying exhibits, minutes, maps, plats, etc.)
Memo

6. REQUESTOR:

Name: Frank Nakamura

Title: Murray City Attorney

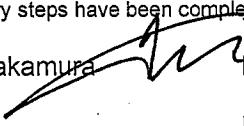
Presenter: Frank Nakamura and G.L. Critchfield Title: City Attorney and Deputy City Attorney

Agency: Murray City Corporation Phone: 801-264-2640

Date: December 26, 2012 Time:

7. APPROVALS: (If submitted by City personnel, the following signatures indicate, the proposal has been reviewed and approved by Department Director, all preparatory steps have been completed, and the item is ready for Council action)

Department Director: Frank Nakamura

 Date: December 26, 2012

Mayor:

 Date:

8. COUNCIL STAFF: (For Council use only)

Number of pages: _____ Received by: _____ Date: _____ Time: _____

Recommendation: _____

9. NOTES:

February 24, 2012



ATTORNEY-CLIENT COMMUNICATION

MEMORANDUM

TO: Murray City Municipal Council
Murray City Library Board

FROM: Frank M. Nakamura, City Attorney
G.L. Critchfield, Deputy City Attorney

Cc: Daniel C. Snarr, Mayor
Jan Wells, Chief of Staff
Kim Fong, Library Director

DATE: December 26, 2012

RE: Ownership of Library Property (166 East 5300 South)

Twenty-one years ago the City entered into a cooperative arrangement with the Murray City School District ("District") to enable the City to build the current library (the "Property").¹ The City leased land from the District in a long-term ground lease and intended to build the library subject to the lease. However, the City was unable to obtain optimal financing to build the library under the lease. Instead, in order to secure its financing, the City was required to own the land in addition to the building. Consequently, the City asked that the District convey the land to the City.

Under a new agreement, the lease was terminated and the District sold the land to the City for \$50.00² for a twenty-year period. The City further agreed that at the end of the twenty years, the City would sell back the land to the District for \$50.00, subject to a ground lease with the same term as the original lease.³

The term for the financing has ended and the financing has been completed. The District is now asking the City to address the ownership of the Property. The timing of the District request coincides with the construction of the new Hillcrest Junior High School. Conveying the property would benefit the District by allowing the consolidation of the Property into an amended plat that may be filed in conjunction with the vacating

¹ Located at 166 East 5300 South.

² The District agreed to accept \$1 per year, for fifty years. The City also agreed to relocate a District softball field from where the library was to be built to another location, for which the City paid all costs.

³ The initial term of the lease was to end in the year 2041 and a renewal period of 50-years extended the lease into the year 2091.

of a portion of Hillside Drive.⁴ Additionally, the District needs a small “pan handle” piece of the Property⁵ to construct a driveway for the new junior high.

The District will be asking both the Board and Council to act to return the land to the District in their respective January meetings.⁶ We believe it would be wise for the Council and Board to meet jointly to discuss the Property ownership before any action is taken. The Council’s January 8th Committee of the Whole meeting could provide an opportunity to gain a better understanding of the District’s request. No action is taken during a Committee of the Whole meeting, but a thorough discussion would benefit both the Council and Board. We believe this to be the best way to fully inform both bodies of the nature and consequences of the District’s request.

ROLE OF CITY COUNCIL

Murray City Municipal Code § 2.54.060 provides: “The city council shall approve, subject to the recommendation of the board, the expenditure of the library fund, and of construction, lease, purchase or sale of library buildings and land.” Ultimately, for the District to receive the Property, the Council must declare the Property as surplus and approve the sale of the land back to the District. The City is contractually bound to sell the Property back to the District for \$50.00. This sale, however, must be subject to a long-term ground lease with an initial term ending in 2041 and a renewal period ending in 2091. Additionally, the original lease provided that if the District opposed the 50-year renewal period, then the District was obligated to purchase the library building. This term should be renewed in the new lease.

ROLE OF LIBRARY BOARD

The Board is contractually bound to take two actions. First the Board is to notify the District that the bond obligations (financing) have been satisfied and thereby the District’s option to purchase has matured. Second, the Board is to deliver a new long-term ground lease to the District for its consideration and agreement.⁷ The Board also has an obligation imposed by ordinance to consider the matter and to send a recommendation to the Council on whether the land should be sold back to the District.⁸

We will discuss this matter more fully at the January 8th, 2013 City Council Committee of the Whole. Please contact our office if you have any questions to discuss before the January 8th meeting.

⁴ Whether a portion of Hillside Drive is vacated is within the Council’s authority to decide. The District has requested the street be vacated.

⁵ Approximately 2,100 square feet.

⁶ The Council meeting is currently scheduled for January 22nd and the Board meeting is scheduled for January 16th.

⁷ The City Attorney’s office will prepare both the Notice and Lease for the Board’s consideration.

⁸ See Murray City Municipal Code § 2.54.060.

AGREEMENT BETWEEN MURRAY CITY CORPORATION,
THE BOARD OF TRUSTEES OF THE MURRAY CITY PUBLIC LIBRARY
AND THE BOARD OF EDUCATION OF MURRAY CITY SCHOOL DISTRICT

THIS AGREEMENT is entered into and dated as of the 4th day of December, 1991, by and between Murray City Corporation (the "City"), a political subdivision of the State of Utah, the Board of Trustees of the Murray City Public Library (the "Library Board"), a political subdivision of the State of Utah, and the Board of Education of the Murray City School District (the "District"), a body politic of the State of Utah.

R E C I T A L S:

A. The District owns certain real property (the "Property") located on the Hillcrest Junior High School campus in Murray City, Salt Lake County, State of Utah as more fully described in Exhibit "A" attached hereto.

B. The City desires to acquire the use of the Property from the District for the purpose of constructing, equipping and operating a municipal public library facility (the "Library") by the Library Board.

C. The District has entered into a Letter of Understanding with the Murray City Public Library ("Letter of Understanding") providing for, among other things, Library privileges and benefits to the District and its teachers and students.

D. To provide the financing for the Library, the City is entering into a Lease Purchase Financing Agreement (the "Financing Agreement") with respect to the Library by and between the City as Lessee and the Utah Municipal Finance Cooperative ("MFA"), an independent legal entity and political subdivision of the State of Utah.

E. Pursuant to the terms of the Financing Agreement, MFA is providing financing for the Library from the re-marketing of its Local Government Revenue Bonds (Pooled Capital Improvement Financing Program) Series December 4, 1991-Murray City Utah (Lease Purchase Obligation) (the "Project Bonds") and will lease the Library on an annually renewable basis to the City.

F. The parties intend that the City will sublease the Library to the Library Board which will operate and maintain the Library.

G. MFA shall execute and deliver a Leasehold Deed of Trust, Assignment of Rents and Security Agreement with respect to the Property, including any and all improvements thereon, for the purposes of securing amounts payable to owners of the Project Bonds.

H. In order to economically market the Project Bonds, the terms and conditions of such provide that in the event of a default in the Financing Agreement by the City, the Security Documents (as more fully described in the Financing Agreement)

may be foreclosed, sold or otherwise realized upon and the Property utilized by the purchaser thereof for any other lawful purpose, which event may prevent the District from realizing the full extent of the benefits contemplated by the Letter of Understanding and the conveyance of the Property to the City.

I. The City desires to provide security to the District that in the event of a default above described and loss of the contemplated benefits, the District would obtain other consideration for the conveyance of the Property.

J. The conveyance of the Property to the City by the District is done to facilitate the financing of the construction of the Library and it is contemplated that upon satisfaction of the Project Bonds, the Property may be reacquired by the District, subject to a lease with the Library Board for the operation of the Library.

K. The City and Library Board have provided to the District part of the consideration for the conveyance by payment of the actual costs for the relocation of a softball field and new softball field excavation in the amount of approximately Thirty Five Thousand Dollars (\$35,000.00).

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Deed. Contemporaneous with the execution of this Agreement, the District will convey to the City by Special Warranty Deed the Property described on Exhibit "A." The Deed shall be in the form attached hereto as Exhibit "B." The City shall pay the sum of Fifty Dollars (\$50.00) and such other consideration recited herein. All costs associated with the conveyance of the Property shall be paid by the City including, but not limited to, closing costs, recording fees, title insurance, survey and engineering costs, environmental audit costs and legal fees of the District which legal fees shall not exceed the sum of Two Thousand Dollars (\$2,000).

2. Termination of Lease. The existing lease between the District as Lessor and the Library Board as Lessee for the Property is hereby terminated. A copy of said lease is attached hereto for reference purposes as Exhibit "C".

3. Option to Purchase. Contemporaneous with the execution of this Agreement, the City will provide to the District an Option to repurchase the Property exercisable by the District at any time within three (3) years of the date that the City and Library Board provide written notice to the District that (I) the payment of the principal of, premium, if any, and interest on those certain Utah Municipal Finance Cooperative (MFA) Local Government Revenue Bonds (Pooled Capital Improvement Financing Program) Series December 4, 1991 -- Murray City, Utah, (Lease Purchase Obligation) (the "Project Bonds") have been paid in full; (II) all amounts under the Lease Purchase Financing Agreement (the "Financing Agreement") dated as of December 4, 1991, by and between the City and the Utah Municipal Finance Cooperative have been paid in full, and (III) the time for the District to exercise its Option to repurchase

the Property has matured (the "First Option"). In the event the District fails to exercise the First Option to repurchase the Property, the District shall thereafter have a second Option to repurchase the Property (the "Second Option") for the same exercise price. The Second Option shall be for a period of sixty (60) days which shall commence on the date of receipt of a second notice from the City and Library Board to the District advising the District of its failure to exercise the First Option and the time for the District to exercise the Second Option. Should the District fail to exercise the First Option or the Second Option it shall have no further Option to repurchase the Property, however, the District will retain all of its rights under the terms of this Agreement and the Letter of Understanding. The Option exercise price is in the amount of Fifty Dollars (\$50.00) payable at the time of exercising the Option. The recordable Option to Purchase shall be in the form attached hereto as Exhibit "D." The right of the District to exercise the Option is subject to the right of the Library Board to lease the Property from the District for the ongoing operation of the Library.

4. Resulting Lease. In the event the District exercises its Option to Purchase, the Library Board shall execute and deliver a lease of the Property and its improvements for an initial term of fifty (50) years from the date of this Agreement for the amount of One Dollar (\$1.00) per year upon terms and conditions substantially the same as those contained in the lease attached hereto as Exhibit "C". The Library Board shall be responsible, in addition, for all expenses, insurance and costs of the Property of every type and nature. The lease shall be automatically renewed by and between the parties for an additional fifty (50) years unless written notice is served by the party terminating the lease on the other party at least five (5) years prior to the end of the initial term. If the lease is terminated by the District, the District shall compensate the Library Board for the improvements constructed on the Property at the fair market value of said improvements as determined as of the date of termination of the lease by an independent third party mutually agreed upon by the parties. In the event the Library Board terminates the lease, the District shall not be required to compensate the Library Board for such improvements.

5. Security Agreement. The City and the Library Board hereby grant to the District a security interest in the articles of personal property, items and things set forth and described on Exhibit "E" attached hereto and incorporated herein by reference and all proceeds, products and accessions thereof (the "Collateral") for the purpose of securing all obligations of the City and the Library Board contained in this Agreement, the Letter of Understanding and any other documents and agreements between the parties. In the event the District repurchases the Property, this Security Agreement will terminate.

6. Representations of the City. The City and the Library Board hereby represent as follows:

a. The City and the Library Board are, and as to any collateral to be acquired after the date hereof will be, the sole owners of the Collateral free of any lien or encumbrance except the security interest created hereby. The City and the Library Board will notify the District of, and will defend the Collateral against

all claims and demands of all persons at any time claiming the same or an interest therein.

b. The City and the Library Board will not lease, sell, convey or in any manner transfer the Collateral during the term of this Agreement without the prior written consent of the District.

c. The Collateral will be kept on or at the Property and the City and the Library Board will not remove the Collateral from the Property without the prior written consent of the District except such portions or items of the Collateral which are consumed or worn out in ordinary usage all of which shall be promptly replaced by the City and the Library Board with other Collateral of equal or greater value than the replaced Collateral had when new.

d. At the request of the District, the City and the Library Board will join the District in executing one or more financing statements and renewals and amendments thereof pursuant to the Uniform Commercial Code of Utah in a form satisfactory to the District and will pay the cost of filing the same in all public offices wherever filing is deemed by the District to be necessary or desirable.

7. Default. The security interest created herein shall secure the faithful performance by the City and the Library Board under the terms of this Agreement, the Letter of Understanding and by the City under the terms of the Project Bonds. In the event of a default by the City under the Financing Agreement or default in the obligations contained in this Agreement or the Letter of Understanding by the City or the Library Board, the District shall thereupon have, in addition to all of its rights at law or in equity, the right to take immediate possession of the Collateral. All remedies of the District whether provided herein or conferred by law are cumulative. The District shall have other rights and remedies not inconsistent herewith as provided under the Uniform Commercial Code of Utah, by law or in equity. No exercise by the District of one right or remedy shall be deemed an election and no waiver by the District of any event of default on the City's or the Library Board's part shall be deemed a continuing waiver. No delay by the District shall constitute a waiver, election or acquiescence by the District.

8. Parking. The District covenants that the Hillcrest Junior High School parking lot adjacent to the Library, and the City and the Library Board covenant that the parking lot constructed for use by the Library shall be open for pedestrian and vehicle utilization seven (7) days a week, with the exception of such days as may be declared public holidays, and/or for routine repair and maintenance of said parking lots. Said lots, however, may be closed after 10:00 o'clock p.m. on each and every business day until 7:00 o'clock a.m. the following day. The City, the Library Board and the District understand and agree that certain school and library functions and events may over utilize designated parking areas. Such usage is expected and both parties to this Agreement shall use their best efforts to cooperate and to meet each other's specific needs.

9. Release and Indemnity. The City and the Library Board have inspected the Property and approved the physical condition thereof. The City and the Library Board shall indemnify and hold the District harmless from, and defend the District against, any and all claims or liabilities or any injury or damage to any person or property whatsoever; (1) occurring in, on, or about the Property or any part thereof; and (2) occurring in, on, or about the Library facilities. The City and the Library Board shall further indemnify and hold the District harmless from and against any and all claims arising from any breach or default in the performance of any obligations on the City's and the Library Board's part to be performed under the terms of this Agreement, or arising from any act or negligence of the City or Library Board, or any of their agents, contractors, employees and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the District by reason of any such claim, the City and the Library Board, upon notice from the District, shall defend the same at the City's and the Library Board's expense by counsel reasonably satisfactory to the District. The City and the Library Board, as a material part of the consideration to the District, hereby assume all risk of damage to Property or injury to persons in, upon, or about the Property from any cause.

10. Notice. All notices and other communications under this Agreement shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by certified or registered U.S. mail, return receipt requested, postage prepaid, and addressed to the respective party at the address set forth below or at such other address as such party may hereafter designate by written notice to the other party as herein provided:

The District Murray City School District
147 East 5065 South
Murray, Utah 84107
Attention: Superintendent

with a copy to: President, Board of Education of the Murray City School District at his or her then current residence address.

The City Murray City Corporation
5025 South State Street
Murray, Utah 84157-0520
Attention: Mayor

The Library Board Board of Trustees of the Murray City Public Library
166 East 5300 South
Murray, Utah 84107

11. Miscellaneous Provisions. The following provisions are also integral parts of this Agreement.

11.1 Captions. The headings used in this Agreement are inserted for reference purposes only and shall not be deemed to define, limit, describe or affect in any way the meaning, scope or interpretation of any of the terms or provisions of this Agreement or the intent thereof.

11.2 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures upon any counterpart were upon the same instrument, and all signed counterparts shall be deemed to be an original.

11.3 Amendment. This Agreement may not be modified except by a signed, written instrument by the parties hereto.

11.4 Interpretation. This Agreement and each and every related document shall be interpreted, construed and enforced according to the laws of the State of Utah, except as federal law may apply.

11.5 Survival of Warranties and Obligations. The respective warranties and obligations of the parties hereto shall survive the execution of this Agreement.

11.6 Attorneys' Fees. In the event that any party hereto brings an action or proceeding for a declaration of the rights of the parties under this Agreement, for injunctive relief, or for an alleged breach or default of, or any other action arising out of this Agreement or the transactions contemplated hereby, the prevailing party in any such action shall be entitled to an award of reasonable attorneys' fees and any court costs incurred in such action or proceeding, in addition to any other damages or relief awarded, regardless of whether such action proceeds to final judgment.

11.7 Authority. The persons executing this Agreement each warrant by his or her signature that he or she has full authority to enter into this Agreement on behalf of the party for whom he or she signs.

11.8 Further Performance. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

EXHIBIT "A"

A description of certain real property located in Salt Lake County, Utah
to wit:

BEGINNING at a point which is South $00^{\circ}02'05''$ West, 40.41 feet from the edge of an existing sidewalk of Hillcrest Junior High School, said point also being North, 747.76 feet and East 1261.38 feet East from the Southwest corner of Section 7, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North $00^{\circ}02'05''$ East, along the Easterly edge of an existing sidewalk 283.80 feet to the Southerly right-of-way line of 5300 South Street; thence South $89^{\circ}40'10''$ East, along said Southerly right-of-way line, 301.74 feet to an existing chain link fence line on the Westerly boundary of the Ray Daines Property; thence South 260.73 feet along said existing chain link fence line to a fence corner; said point being the most Southwesterly corner of the Ray Daines Property; thence North $89^{\circ}34'17''$ East 90.00 feet along an existing chain link fence line, (said line being the Southerly boundary line of the Ray Daines Property) to the Westerly right-of-way line of Hillside Drive; thence South, along said right-of-way line of 22.79 feet to the Northerly face of an existing block wall; thence West, 391.91 feet to the point of BEGINNING.

IN WITNESS WHEREOF, the parties have caused to be executed this Agreement
the day and year first written above.

ATTEST:

By Richard Clark
Richard Clark
Its: Clerk

THE BOARD OF EDUCATION OF
THE MURRAY CITY SCHOOL
DISTRICT

By Laura Baker
Laura Baker
Its: President

ATTEST:

By Edmonia L. Alltop
Its: Pres.

THE BOARD OF TRUSTEES OF
THE MURRAY CITY PUBLIC
LIBRARY

By Bryan D. Mann
Its: Chairperson of the Board

ATTEST:

By Donald W. Johnson
Its: City Recorder

MURRAY CITY CORPORATION

By Lynn O. Bell
Its: Mayor

DLB\kk\murray.otp

5

EXHIBIT "B"

When recorded, return to:

H. Craig Hall, Esq.
5025 South State Street
Murray, Utah 84107

WARRANTY DEED
(Special)

The Board of Education of the Murray City School District, Grantor, of Murray City, County of Salt Lake, State of Utah, hereby conveys and warrants against all claiming by, through or under the Board of Education of the Murray City School District, but not otherwise, to Murray City Corporation, a political subdivision of the State of Utah, Grantee, of Murray City, County of Salt Lake, State of Utah, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the following described tract of land in Murray City, Salt Lake County, State of Utah:

BEGINNING at a point which is South $00^{\circ}02'05''$ West, 40.41 feet from the edge of an existing sidewalk of Hillcrest Junior High School, said point also being North, 747.76 feet and East 1261.38 feet East from the Southwest corner of Section 7, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North $00^{\circ}02'05''$ East, along the Easterly edge of an existing sidewalk 283.80 feet to the Southerly right-of-way line of 5300 South Street; thence South $89^{\circ}40'10''$ East, along said Southerly right-of-way line, 301.74 feet to an existing chain link fence line on the Westerly boundary of the Ray Daines Property; thence South 260.73 feet along said existing chain link fence line to a fence corner; said point being the most Southwesterly corner of the Ray Daines Property; thence North $89^{\circ}34'17''$ East 90.00 feet along an existing chain link fence line, (said line being the Southerly boundary line of the Ray Daines Property) to the Westerly right-of-way line of Hillside Drive; thence South, along said right-of-way line of 22.79 feet to the Northerly face of an existing block wall; thence West, 391.91 feet to the point of BEGINNING.

The above described property also known by the street address of: (none shown)
THIS CONVEYANCE IS MADE SUBJECT TO THE FOLLOWING:

1. All liens and encumbrances appearing of record or enforceable at law or in equity.

WITNESSETH THE HAND OF SAID GRANTOR this 2nd day of December, 1991.

THE BOARD OF EDUCATION OF THE MURRAY CITY SCHOOL DISTRICT

By Laura Baker
Laura Baker
Its: President

ATTEST:

Richard Clark

Richard Clark
Its: Clerk

STATE OF UTAH)
:ss.
COUNTY OF SALT LAKE)

On the 2nd day of December, 1991, personally appeared before me, Laura Baker, as President, and Richard Clark, as Clerk, of the Board of Education of the Murray City School District, the signers of the within instrument, who duly acknowledged to me that they executed the same on behalf of the Board of Education of the Murray City School District.

J. C. Baker
Notary Public

Residing at:

Salt Lake Co., Utah

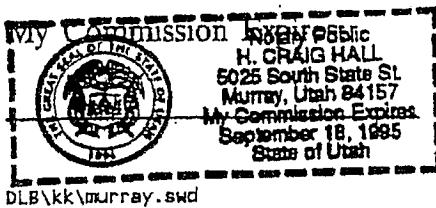


EXHIBIT "C"

LEASE AGREEMENT FOR MAIN MURRAY PUBLIC LIBRARY
Located At Approximately 152 East 5300 South, Murray, Utah

THIS LEASE AGREEMENT is made and entered into by MURRAY PUBLIC LIBRARY, a political subdivision of the State of Utah, hereinafter referred to as "Library", and MURRAY SCHOOL DISTRICT, a body politic of the State of Utah, hereinafter referred to as "District".

WHEREAS, the Board of Trustees of the Murray Public Library is desirous of leasing property from District for the construction of the new main public library; and

WHEREAS the District has taken formal school board action on April 24, 1991, authorizing the execution of such lease,

NOW, THEREFORE, based on the mutual covenants and conditions contained herein, it is agreed by and between the parties as follows:

1. That District leases to Library for its sole and exclusive use, for an initial term of 50 years the following described parcel of ground:

BEGINNING AT A POINT which is at the intersection of the Southerly right-of-way line of 5300 South Street and an existing West property line (West Property line of a property which fronts the West side of Hillside Drive and running thence South along said West property line 258.5 feet; thence East 90 feet to the West right-of-way line of Hillside Drive; thence South along said West right-of-way line 23.5 feet; thence West 393 feet more or less to the East edge of an existing concrete walk; thence North along said edge of concrete walk 282 feet, more or less, to the South right-of-way line of 5300 South Street; thence East along said South right-

of-way line 303 feet more or less to the point of beginning.

2. Library agrees to pay the sum of \$1.00 per year, for a total sum of \$50.00, as payment for lease of said property. The total sum shall be due and payable within 30 days of execution of this lease. As additional consideration, Library agrees to pay to District the sum of \$39,000.00 for the cost of relocation of the existing softball field and excavation of soil at the new site of the softball field. Upon payment of said sums as contemplated in this Agreement, Library shall be entitled to possession of the property as described in Paragraph 1 of this Agreement.

3. Library is granted the exclusive right to build, construct, and otherwise improve said parcel of land with the intended purpose of the lease being the construction of a building to be utilized for the library and related purposes.

4. This lease shall be automatically renewed by and between the parties for a like term, unless the parties hereto terminate the agreement pursuant to paragraph 8 of this Agreement.

5. Library is granted the exclusive right to utilize said property without interference or direction from District. District further grants to Library a nonexclusive right of way for ingress and egress for a parking lot to be utilized for a parking lot for the like period of time, the term and duration of

this lease. Said property to be utilized for said Ingress, Egress and Parking is described as follows:

BEGINNING at a point which is West along the South right-of-way line of 5300 South Street 191 feet from the intersection of said right-of-way line and an existing West property line (West property line of a property which fronts the West side of Hillside Drive) and running thence South 282 feet more or less to the South property line of the Murray Library property; thence West along said South property line 112 feet to the West property line of the Murray Library property; thence North along said West property line 282 feet more or less to the South right-of-way line of 5300 South Street; thence East along said South right-of-way line 112 feet to the point of beginning.

Site plan is attached as Exhibit A and incorporated herein for all purposes.

6. District covenants that said parking lot shall be open for pedestrian and vehicle utilization seven days a week, with the exception of such days as may be declared, public holidays, and/or for routine repair and maintenance of said parking lot. Said lot, however, may be closed after 10:00 p.m. on each and every business day until 7:00 a.m. the following day. Library and District understand and agree that certain school and library functions and events may over utilize designated parking areas. Such usage is expected and both parties to this Agreement shall use their best efforts to cooperate and to meet each others specific needs. Notwithstanding provisions to the contrary, District and Library shall have the right to utilize parking on

the school property and described library parcel during such times of special events.

7. It is expressly agreed and understood that Library shall hold the District harmless, and shall defend the District from any and all damage, injury, claim, suit, accident, law, and equity which may be brought against the District which may arise out of the improvement or use of the property as described in paragraph one herein.

8. This agreement may be terminated by the parties after the expiration of the original term as provided for in paragraph one, provided the written notice is served upon the parties at least five years prior to the expiration of said agreement. If said lease is terminated by District, District shall compensate Library for the improvements constructed on said leased premises at the fair market value of said improvements as determined on the date of termination of said lease. In the event that Library elects to terminate this lease as provided herein, District shall not be required to compensate Library for such improvements.

9. It is expressly understood that the operation, management, and control of said library facilities is exclusively reserved to the Library Director and the Board of Trustees for the Murray Public Library.

10. This agreement shall not be assigned without the prior written consent and approval of all parties.

11. In the event of default of one of the parties here-to, it is agreed that the non-defaulting party shall be entitled to reasonable attorneys fees and all costs of court incurred in the enforcement of this agreement.

MADE AND ENTERED INTO THIS 16th day of MAY, 1991.

MURRAY PUBLIC LIBRARY
BOARD OF TRUSTEES

By: Bryan & DeMann
Its Chairman

MURRAY SCHOOL DISTRICT
BOARD OF EDUCATION

Laura L. Baker
President

C-1

LETTER OF UNDERSTANDING
BETWEEN MURRAY SCHOOL DISTRICT AND
MURRAY CITY PUBLIC LIBRARY

This Letter of Understanding is drafted and entered into this 16th day of May, 1991, by and between Murray City Public Library, hereinafter referred to as "Library" and Murray School District, hereinafter referred to as "District".

WHEREAS, Library and District have entered into a Lease Agreement for the use of approximately 2.01 acres for the construction and operation of a public library at approximately 152 East 5300 South, Murray, Utah, on the Hillcrest Jr. High School campus; and

WHEREAS, it is intended between the parties that mutual cooperation between the parties be increased and benefits be extended to each party;

NOW, THEREFORE, it is agreed by and between the parties as follows:

1. There is created an Advisory Committee known as the Murray Library and School District Advisory Committee. The Committee shall consist of four (4) appointed members (two from each entity). There shall also be two (2) ex-officio members of the Committee. Said members shall be the Director Media Coordinator and the Murray Public Library Director.

2. The Committee shall meet not less than every three (3) months.

3. The Committee shall be an advisory board which has the duty to review and recommend issues of mutual concern, including but not limited to:

(A) Collection Utilization.

(1) Electronic access to the public library's database to ascertain holdings and availability. Through dial access this service would be available to all library patrons, including the schools, through the use of suitable modems.

(2) Fax of information from books and periodicals at local school, public, academic, and special libraries.

(3) Courier service between the Murray Public Library and the Murray schools to deliver and return materials; this service would be similar to the exchange now available between all the public libraries in the Salt Lake Valley. This courier service might also be extended to homebound patrons of the public library.

(4) Temporary collections on loan to either the school or the public libraries to accommodate the needs of special projects, i.e., a reserve collection for a limited period of time.

(5) Non-circulating textbook collection (provided by the school district) to be available for the students at the public library.

(B) Collection Development

(1) Eliminate unnecessary duplication of expensive reference and research tools, both print and non-print, through mutual notification of materials purchased.

(2) Mutual exchange of materials including gifts and needed items which are appropriate for utilization by the other libraries.

(C) Staff Training and Development.

(1) Develop shared training to provide additional continuing education opportunities for both staffs; this could include book discussion groups for various age groups and discussion of individual reference tools.

(2) Develop a shared list of "expertise" to enhance the information and services available at all libraries.

(D) Public Library Facility.

The community at large, including the schools, has access to the public library--its facility, collection, and staff--during all of the hours the building is open.

4. Decision and recommendations of the committee are advisory and are not binding upon either the Library or District unless the decisions and/or recommendations are ratified by both boards.

5. Nothing in this Agreement impairs or limits the authority of either board to take action within the scope of its jurisdiction as established by the constitution or other statutory provisions.

6. This Committee shall exist for the duration of the lease period for the property where the main library is located at Hillcrest Jr. High School.

DATED this 16th day of MAY, 1991.

MURRAY CITY PUBLIC LIBRARY

MURRAY SCHOOL DISTRICT

Bryan & DeMann

Laura S. Gabor

EXHIBIT "D"

When recorded, return to:

David L. Bird, Esq.
McKAY, BURTON & THURMAN
1200 Kennecott Building
Salt Lake City, Utah 84133

OPTION TO PURCHASE

This OPTION TO PURCHASE, is made and entered into as of the 4th day of December, 1991, by and between Murray City Corporation (the "City"), a political subdivision of the State of Utah and the Board of Education of the Murray City School District (the "District"), a body politic of the State of Utah.

R E C I T A L S:

A. The City has acquired from the District certain real property located in Salt Lake County, State of Utah, as more fully described in Exhibit "A" attached hereto, (the "Property") for the purpose of constructing, operating and maintaining a public library which will provide benefits to, among others, the District.

B. The financing of the construction of the library utilizing local government revenue bonds necessitates the conveyance of the Property by deed, however, the parties desire to provide for the repurchase of the Property by the District subject to the conditions described in Section 1 hereof.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. The District shall have the irrevocable option to purchase the Property pursuant to the terms of that certain unrecorded Agreement between Murray City Corporation, the Board of Trustees of the Murray City Public Library and the Board of Education of the Murray City School District dated as of the 4th day of December, 1991 which provides for the exercise of the Option within three (3) years of the date that the City and Library Board provide written notice to the District that (I) the payment of the principal of, premium, if any, and interest on those certain Utah Municipal Finance Cooperative (MFA) Local Government Revenue Bonds (Pooled Capital Improvement Financing Program) Series December 4, 1991 -- Murray City, Utah, (Lease Purchase Obligation) (the "Project Bonds") have been paid in full; (II) all amounts under the Lease Purchase Financing Agreement (the "Financing Agreement") dated as of December 4, 1991, by and between the City and the Utah Municipal Finance Cooperative have been paid in full, and (III) the time for the District to exercise its Option to repurchase the Property has matured (the "First Option"). In the event the District fails to exercise the First Option to repurchase the Property, the District shall thereafter have a Second Option to repurchase the Property (the "Second Option") for the same exercise price. The Second Option shall be for a period of sixty (60) days which shall commence on the

date of receipt of a second notice from the City and Library Board to the District advising the District of its failure to exercise the First Option and the time for the District to exercise the Second Option. Should the District fail to exercise the First Option or the Second Option it shall have no further Option to repurchase the Property. The Option to Purchase shall remain in full force and be binding upon any subsequent owner or owners of the property to the same extent as if said subsequent owner or owners were the City.

IN WITNESS WHEREOF, the parties hereto have executed this Option to Purchase as of the date first above written.

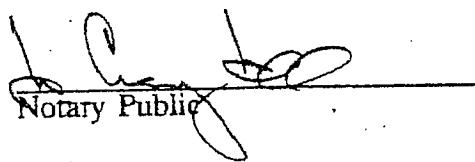


MURRAY CITY CORPORATION

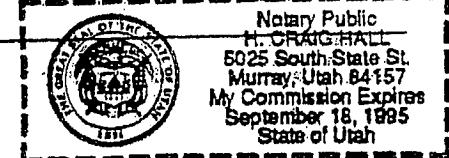
By Lynn F. Pitt
Its: Mayor

STATE OF UTAH)
:ss.
COUNTY OF SALT LAKE)

On the 2nd day of December, 1991, personally appeared before me
Lynn F. Pitt and Luzene Person the signers of the
within instrument, who duly acknowledged to me that they executed the same on behalf
of Murray City Corporation.


Notary Public

My Commission Expires:



Residing at:
Salt Lake Co., Utah

THE BOARD OF EDUCATION OF
THE MURRAY CITY SCHOOL
DISTRICT

By Laura Baker

Laura Baker
Its: President

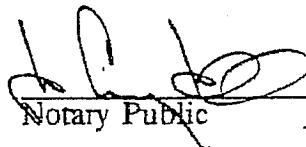
ATTEST:

By Richard Clark

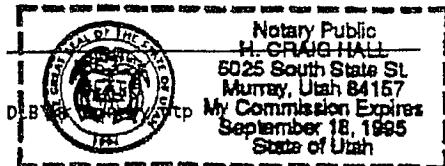
Its: Clerk

STATE OF UTAH)
)
COUNTY OF SALT LAKE)
)

On the 2nd day of December, 1991, personally appeared before me
Laura Baker, as President, and Richard Clark, as Clerk, of the Board of Education of
the Murray City School District, the signers of the within instrument, who duly
acknowledged to me that they executed the same on behalf of the Board of Education
of the Murray City School District.


Notary Public

My Commission Expires:



Residing at:

Salt Lake Co., Utah

EXHIBIT "A"

A description of certain real property located in Salt Lake County, Utah
to wit:

BEGINNING at a point which is South $00^{\circ}02'05''$ West, 40.41 feet from the edge of an existing sidewalk of Hillcrest Junior High School, said point also being North, 747.76 feet and East 1261.38 feet East from the Southwest corner of Section 7, Township 2 South, Range 1 East, Salt Lake Base and Meridian; and running thence North $00^{\circ}02'05''$ East, along the Easterly edge of an existing sidewalk 283.80 feet to the Southerly right-of-way line of 5300 South Street; thence South $89^{\circ}40'10''$ East, along said Southerly right-of-way line, 301.74 feet to an existing chain link fence line on the Westerly boundary of the Ray Daines Property; thence South 260.73 feet along said existing chain link fence line to a fence corner; said point being the most Southwesterly corner of the Ray Daines Property; thence North $89^{\circ}34'17''$ East 90.00 feet along an existing chain link fence line, (said line being the Southerly boundary line of the Ray Daines Property) to the Westerly right-of-way line of Hillside Drive; thence South, along said right-of-way line of 22.79 feet to the Northerly face of an existing block wall; thence West, 391.91 feet to the point of BEGINNING.

EXHIBIT "E"

The following is a list of the personal property and its approximate value. The Murray City Library will give a security interest in this property to the Murray City School District for the parcel of land located at 166 East 5600 South, Murray, Utah.

One Dynix Library Computer System	\$ 67,000.00
Book stacks	92,000.00
Sharp copy machines (3)	7,700.00
Display carousels (8)	10,000.00
Swintec typewriters (10)	5,000.00
IBM personal computers (4)	10,000.00
Microfilm readers (2)	2,000.00
Projectors - 1 lot (14)	7,200.00
Tables - various (40)	12,000.00
Desks - various (22)	13,000.00
Chairs - oak (50)	5,000.00
Filing cabinets - various (25)	5,000.00
Piano and bench	2,000.00
Public access terminals - additional (10)	20,000.00
Televisions (2)	1,000.00
VCRs (2)	700.00
Chairs - Steelcase (12)	6,000.00
Chairs - auditorium (125)	9,400.00
Chairs - children's (40)	2,000.00
Tables - children's (10)	2,000.00
Book carts (12)	<u>6,000.00</u>
 Total	\$ 285,000.00
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