



# TOWN COUNCIL SPECIAL MEETING

Tuesday, July 02, 2024 at 3:00 PM

Old Church, 114 S. Mill Street, Virgin UT 84779 via Zoom

## AGENDA

**PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:**

[https://us06web.zoom.us/j/86797975867?pwd=qMGk6NV\\_a6XCJKDjfgJONN84hzxCQ.Les9D\\_GOLh-S\\_Lai](https://us06web.zoom.us/j/86797975867?pwd=qMGk6NV_a6XCJKDjfgJONN84hzxCQ.Les9D_GOLh-S_Lai)

**Passcode: 222795 | Or Dial in via Telephone: US +1-669-444-9171**

**A.**

### **CALL TO ORDER: Mayor Jean Krause**

#### **1. Local Building Authority of Virgin Town - Agenda Item:**

"Consideration and adoption of a Resolution authorizing an annually renewable Lease, a Master Resolution, Security Documents and the issuance and sale by the Authority of its Local Building Authority of Virgin Town, Washington County, Utah Lease Revenue Bond, Series 2024 to finance the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities; calling of a public hearing to receive input with respect to the issuance of Lease Revenue Bonds and any impact to the private sector from the construction of the Facility to be funded by the Bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated."

#### **2. Town Council - Agenda Item:**

"Consideration and adoption of a Resolution authorizing an annually renewable Lease, a Master Resolution, Security Documents and the issuance and sale by the Authority of its Local Building Authority of Virgin Town, Washington County, Utah Town Office Lease Revenue Bond, Series 2024 to finance the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplate."

#### **Documents Posted:**

- [1.](#) Waiver of Special Meeting
- [2.](#) Resolution of Town Council
- [3.](#) Resolution of Local Building Authority
- [4.](#) Master Resolution
- [5.](#) Lease Agreement
- [6.](#) Trust Deed

### **ADJOURN MEETING**

Motion to adjourn Special meeting

***Clerk@virgin.utah.gov. In compliance with the ADA, individuals needing special accommodations (including auxiliary communication aids and services) during this meeting should notify the virgin town clerk at 435-635-4695, at least 24 hours in advance.***

**CALL AND WAIVER OF NOTICE OF SPECIAL MEETING**

TO THE MAYOR AND TOWN COUNCIL OF  
VIRGIN TOWN, WASHINGTON COUNTY, UTAH

NOTICE IS HEREBY GIVEN that a Special Meeting of the Mayor and Town Council of Virgin Town, Washington County, Utah will be held at 114 South Mill Street, Virgin, Utah, at 3:00 o'clock p.m. on Tuesday, the 2nd day of July, 2024, for the purpose of: (1) consideration for and adoption of a Parameters Resolution authorizing the issuance of Lease Revenue Bonds of the Local Building Authority of Virgin Town; and (2) for the transaction of such other business incidental to the foregoing as may come before said meeting.

\_\_\_\_\_  
Town Clerk

**ACKNOWLEDGMENT OF NOTICE AND  
CONSENT TO SPECIAL MEETING**

We, the undersigned, Mayor and Town Council of Virgin Town, Washington County, Utah, do hereby acknowledge receipt of a copy of the foregoing Notice of Special Meeting and we hereby waive any and all irregularities, if any, in such notice and in the manner of service thereof upon us and consent and agree to the holding of such meeting at the time and place specified in said notice and to the transaction of any and all business which may come before said meeting. By execution of this waiver, we independently approve the terms of the Resolution.

\_\_\_\_\_  
Jean Krause

\_\_\_\_\_  
April McKeon

\_\_\_\_\_  
Mistie Baird

\_\_\_\_\_  
Marci Holm

\_\_\_\_\_  
Paul Luwe

**CALL AND WAIVER OF NOTICE OF SPECIAL MEETING**

TO THE BOARD OF TRUSTEES THE LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN, WASHINGTON COUNTY, UTAH

NOTICE IS HEREBY GIVEN that a Special Meeting of the Board of Trustees of the Local Building Authority of Virgin Town, Washington County, Utah will be held at 114 South Mill Street, Virgin, Utah, at 3:00 o'clock p.m. on Tuesday, the 2d day of July, 2024, for the purpose of: (1) consideration for and adoption of a Parameters Resolution authorizing the issuance of Lease Revenue Bonds of the Local Building Authority of Virgin Town; (2) calling of a public hearing to receive input with respect to the issuance of such Bonds and any potential impact to the private sector from the construction of the Project; and (3) for the transaction of such other business incidental to the foregoing as may come before said meeting.

\_\_\_\_\_  
Secretary

**ACKNOWLEDGMENT OF NOTICE AND  
CONSENT TO SPECIAL MEETING**

We, the undersigned, Board of Trustees of the Local Building Authority of Virgin Town, Washington County, Utah, do hereby acknowledge receipt of a copy of the foregoing Notice of Special Meeting and we hereby waive any and all irregularities, if any, in such notice and in the manner of service thereof upon us and consent and agree to the holding of such meeting at the time and place specified in said notice and to the transaction of any and all business which may come before said meeting. By execution of this waiver, we independently approve the terms of the Resolution.

\_\_\_\_\_  
Jean Krause

\_\_\_\_\_  
April McKeon

\_\_\_\_\_  
Mistie Baird

\_\_\_\_\_  
Marci Holm

\_\_\_\_\_  
Paul Luwe

Virgin, Utah

July 2, 2024

The Mayor and Town Council (“Governing Body”) of Virgin Town, Washington County, Utah (the “Town”), met in regular public session on July 2, 2024, at the Town Offices, 114 South Mill Street, Virgin, Utah, at 3:00 o’clock p.m., Utah time, due, legal and timely notice of the meeting having been given to all councilmembers as required by law and the rules of the Town Council. The meeting was called to order by the Mayor. On roll call, the following Councilmembers, constituting a quorum, were present:

Jean Krause	Mayor
Mistie Baird	Councilmember
Paul Luwe	Councilmember
April McKeon	Councilmember
Marci Holm	Councilmember

Also Present:

Krystal Percival	Town Clerk
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Absent:

_____	_____
_____	_____

After the minutes of the preceding meeting had been read and approved, the Town Clerk presented to the Council an affidavit evidencing the giving of not less than twenty-four (24) hours public notice of the agenda, date, time and place of the July 2, 2024, meeting of the Council in compliance with the requirements of Section 52-4-202(1), Utah Code Annotated 1953, as amended, by (1) posting written notice of the meeting at the principal office of the Town Council, and (2) providing notice to at least one newspaper of general circulation within the geographic jurisdiction of Virgin Town, Washington County, Utah (the “Town”) or to a local media correspondent. The affidavit was ordered recorded in the minutes of the meeting and is as follows:

STATE OF UTAH )  
 :  
COUNTY OF WASHINGTON )

I, KRYSTAL PERCIVAL, the undersigned Town Clerk of Virgin Town, Washington County, Utah (the "Town"), do hereby certify that I gave written public notice of the agenda, date, time and place of the special meeting held by the Mayor and Town Council (the "Governing Body") of the Town on July 2, 2024, not less than 24 hours in advance of the meeting. The public notice was given in compliance with the requirements of the Utah Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended, by:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the Town's principal offices at least twenty-four (24) hours prior to the convening of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Town's official website at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2024 Annual Meeting Schedule for the Town (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Board of Trustees to be held during the year, by causing said Notice to be (i) posted in January \_\_, 2024, at the principal office of said Governing Body, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted on the City's official website.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of Virgin, Utah, this 2nd day of July, 2024.

\_\_\_\_\_  
Town Clerk

[SEAL]

EXHIBIT A

[Attach Notice of Public Meeting Here]

**NOTICE AND AGENDA OF MEETING OF THE  
MAYOR AND TOWN COUNCIL OF VIRGIN,  
WASHINGTON COUNTY, STATE OF UTAH**

\* \* \* \* \*

PUBLIC NOTICE IS HEREBY GIVEN that the Mayor and Town Council of Virgin, Washington County, State of Utah, will hold a regular meeting at the Town Offices at 114 South Mill Street, Virgin, Utah, on Tuesday, the 2nd day of July, 2024, at the hour of 3:00 o'clock p.m.

The agenda for the meeting consists, in part and in addition to the matters listed in the regular or any other agenda, of the following:

- (1) Consideration and adoption of a Resolution authorizing an annually renewable Lease, a Master Resolution, Security Documents and the issuance and sale by the Authority of its Local Building Authority of Virgin Town, Washington County, Utah Town Office Lease Revenue Bond, Series 2024 to finance the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated; and
- (2) Any other business that may come before said meeting.

DATED this 1st day of July, 2024.

VIRGIN TOWN

By \_\_\_\_\_  
Town Clerk



After the conduct of other business, the following resolution was introduced in written form by the Mayor, was read in full and, pursuant to motion made by Councilmember \_\_\_\_\_ and seconded by Councilmember \_\_\_\_\_, was adopted by the following vote:

AYE: Jean Krause  
Mistie Baird  
Paul Luwe  
April McKeon  
Marci Holm

Nay: None.

This Resolution was thereupon signed by the Mayor, was attested and countersigned by the Town Clerk and was ordered recorded in the official record of the Town.

The Resolution is as follows:

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE TOWN COUNCIL OF VIRGIN TOWN, WASHINGTON COUNTY, UTAH AUTHORIZING AND APPROVING THE EXECUTION OF AN ANNUALLY RENEWABLE LEASE AGREEMENT BY AND BETWEEN THE TOWN AND THE LOCAL BUILDING AUTHORITY OF VIRGIN TOWN, WASHINGTON COUNTY, UTAH (THE “AUTHORITY”); AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 2024; AUTHORIZING THE EXECUTION OF A MASTER RESOLUTION, SECURITY DOCUMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE FINANCING OF THE COST OF PURCHASING PROPERTY FOR USE AS A TOWN HALL, PUBLIC SAFETY FACILITY, POST OFFICE AND RELATED FACILITIES; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.**

WHEREAS, Virgin Town, Washington County, Utah (the “Town”) is a political subdivision and politic duly and regularly created, established, organized and existing under and by virtue of the Constitution and laws of the State of Utah; and

WHEREAS, the Town has previously authorized and directed the creation of the Local Building Authority of Virgin Town (the “Authority”) pursuant to the provisions of a Resolution adopted on April 24, 2013 (the “Creating Resolution”); and

WHEREAS, pursuant to the direction of the Mayor and Town Council contained in 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 “Act”); and

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 Town in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the Town exists; and

WHEREAS, the Town desires to lease, as lessee on an annually renewable basis, the Virgin Town Historic Meetinghouse and related improvements and to provide for interim financing during construction with bond anticipation notes (the “Project”) to be used by the Town in the performance of its public purposes; and

WHEREAS, the Authority desires to lease the Project, as lessor, on an annually renewable basis, to the Town as lessee; and

WHEREAS, the Project is to be leased to the Town, as lessee, on an annually renewable basis by the Authority, as lessor, pursuant to the terms and provisions of that certain Lease Agreement, in substantially the form presented to this meeting and attached hereto as Exhibit “B” (the “Lease”) and herein authorized and approved; and

WHEREAS, the Authority proposes to finance the costs of acquiring and constructing the Project, by means of the issuance of its Lease Revenue Bonds, Series 2024 in the principal amount of not to exceed \$2,500,000 (the “Series 2024 Bonds”) to be issued pursuant to the terms and provisions of a Master Resolution (the “Master Resolution”), in substantially the form presented to this meeting and attached hereto as Exhibit “C” and herein authorized and approved; and

WHEREAS, the Authority proposes to issue the Series 2024 Bonds pursuant to the Master Resolution, and to secure its payment obligations under the Series 2024 Bonds by executing a Deed of Trust, Assignment of Rents and Security Agreement and financing statements with respect to the Project in substantially the forms presented to this meeting and attached hereto as Exhibit “D” (the “Security Documents”) for the benefit of the holders of the Series 2024 Bonds; and

WHEREAS, the Series 2024 Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the Town on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the Town or constitute a charge against its general credit or taxing power; and

WHEREAS, the Town desires to improve and promote the local health and general welfare of the citizens of the Town by entering into the Lease; and

WHEREAS, the State Bank of Southern Utah (the “Purchaser”) has offered to purchase the Series 2024 Bonds and the Authority desires to sell the Series 2024 Bonds; and

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the governing body of the Town and, therefore, it is necessary that the Town authorize certain actions by the Authority in connection with the transactions contemplated by the Lease, the Master Resolution, the Series 2024 Bonds and the Security Documents; and

WHEREAS, the Mayor and other officials of the Town have presented the Lease, the Master Resolution, and Security Documents to the Town Council for the purpose of obtaining the approval of the Town Council of the terms and provisions thereof and for the purpose of confirming the execution thereof as the official act of the Town Council; and

WHEREAS, in order to allow for flexibility in setting the financial terms of the Series 2024 Bonds once costs of the Project are finally determined and to optimize debt service costs to the Authority, the Town Council desires to grant to the President of the Authority, in accordance with state law, the authority to approve the interest rates, principal amounts, terms maturities, redemption features and purchase price at which the Series 2024 Bonds shall be sold and any changes with this Resolution, provided that such terms do not exceed the parameters set forth for such terms in Section 5 of this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND TOWN COUNCIL OF VIRGIN TOWN, WASHINGTON COUNTY, UTAH AS FOLLOWS:

**Section 1.** All action heretofore taken (not inconsistent with the provisions of this Resolution or the Creating Resolution) by the Town Council and by the officers of the Town directed toward the creation and establishment of the Authority and the leasing of the Project by the Town are hereby ratified, approved and confirmed.

**Section 2.** The Town Council finds and determines, pursuant to the Constitution and laws of the State of Utah, that the leasing of the Project under the terms and provisions and for the purposes set forth in the Lease and other documents, instruments and conveyances hereinafter approved and authorized, is necessary, convenient and in furtherance of the governmental and proprietary purposes of the Town and is in the best interest of the citizens of the Town, the leasing of the Project to the Town by the Authority in the manner provided in the Lease, and the delivery of the Security Documents.

**Section 3.** The Lease, in the form presented to this meeting and attached hereto as Exhibit “B”, is in all respects approved, authorized and confirmed and the Mayor is authorized to approve the final terms thereof and to execute and deliver the Lease in the form and with substantially the same content as set forth in Exhibit “B” for and on behalf of the Town. The appropriate officials of the Authority are authorized to approve the final terms and to execute the Lease on behalf of the Authority in the form and with substantially the same content as set forth in Exhibit “B” for and on behalf of the Authority.

**Section 4.** The appropriate officials of the Authority are authorized to execute and deliver the Master Resolution in the form and with substantially the same content as set forth in Exhibit “C”, for and on behalf of the Authority.

**Section 5.** The Authority is authorized to issue the Series 2024 Bonds in the aggregate principal amount of not to exceed \$2,500,000 and a Bond Anticipation Note (the "Note"), in an amount not to exceed that of the Series 2024 Bonds, to mature not later than three (3) years from the date of said Note and to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed six (6.0%) percent. The Bonds and Note shall be dated, shall bear interest, shall be issued as fully registered bonds, and shall mature as provided in the Master Resolution.

The President and Mayor of the Authority is hereby authorized on behalf of the Authority, to award the sale of the Series 2024 Bonds to the Purchaser.

The form, terms and provisions of the Series 2024 Bonds and Note and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolution in the form to be executed by the Authority. The Series 2024 Bonds shall mature prior to the expiration of the estimated useful life of the Project. The President of the Authority is hereby authorized to execute the Series 2024 Bonds and Note, to place thereon the seal of the Authority and to deliver the Series 2024 Bonds and Note to the Purchaser. The Secretary of the Governing Board of the Authority is authorized to attest to the signature of the President and affix the seal of the Authority to the Series 2024 Bonds and Note and to authenticate the Series 2024 Bonds and Note. The signatures of the President and the Secretary of the Governing Board of the Authority may be by facsimile or manual execution.

**Section 6.** The appropriate officers of the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction as contemplated hereby, including, without limitation, the execution and delivery of any closing documents required to be delivered in connection with the sale and delivery of the Series 2024 Bonds and Note.

**Section 7.** Upon their issuance, the Series 2024 Bonds will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2024 Bonds and the Master Resolution. No provision of this resolution, the Lease, the Master Resolution, the Security Documents, the Series 2024 Bonds, or any other instrument, shall be construed as creating a general obligation of the Town, or as incurring or creating a charge upon the general credit of the Authority or of creating a general obligation of the Town or against its taxing powers. The Town shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost of making any payment in respect of the Series 2024 Bonds, except in connection with the payment of the Base Rentals, Additional Rentals, and Purchase Option Price, pursuant to the Lease (as those terms are defined in the Lease), which may be terminated by the Town on any annual renewal date thereof in accordance with the provisions of such Lease.

**Section 8.** The Mayor is hereby authorized to make any alterations, changes or additions in the 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, to the provisions of this Resolution or the provisions of the laws of the State of Utah or the United States.

**Section 9.** The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Lease, the Master Resolution and the Security Documents herein authorized and approved which may be necessary which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the Town Resolution, the Creating Resolution or any resolution adopted by the Town or the Authority, or the provisions of the laws of the State of Utah or the United States.

**Section 10.** If any provisions 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 11.** The Town Clerk of the Town is hereby authorized to attest to all signatures and acts of any proper official of the Town, and to place the seal of the Town Clerk on the Lease. The Mayor and other proper officials of the Town and each of them, are hereby authorized to execute and deliver for and on behalf of the Town any and all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized.

**Section 12.** The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the Lease, the Master Resolution, the Security Documents, the Series 2024 Bonds, 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 to perform all other acts 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 13.** All regulations, orders and resolutions of the Town or parts thereof inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any regulation, order, resolution or ordinance or part thereof.

**Section 14.** This Resolution shall become effective immediately upon adoption by the Town Council.

PASSED AND APPROVED this 2nd day of July, 2024.

VIRGIN TOWN

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

ATTEST AND COUNTERSIGN:

By \_\_\_\_\_  
Town Clerk

[SEAL]

After the conduct of other business not pertinent to the foregoing, it was moved and carried that the Town Council adjourn.

VIRGIN TOWN

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

ATTEST:

By \_\_\_\_\_  
Town Clerk

[SEAL]

STATE OF UTAH )  
 : ss.  
COUNTY OF WASHINGTON )

I, KRYSTAL PERCIVAL, the undersigned, do hereby certify that I am the duly qualified and acting Town Clerk of Virgin Town, Washington County, Utah (the "Town"). I further certify that the above and foregoing constitutes a true and correct copy of the minutes of a special public meeting of the Board of Trustees of the Town, held on July 2, 2024, including a Resolution adopted at such meeting, together with exhibits and appendices attached thereto, as said minutes, resolution and appendices are recorded in the regular official book of minutes of the proceedings of the Governing Body kept in the office of the Secretary that said proceedings were duly had and taken as therein shown, that the meeting thereon shown was in all respects called, held and conducted in accordance with law, and that the persons therein named were present at said meeting, as therein shown.

I further certify and I caused a true and correct copy of the above-referenced resolution (including all exhibits and appendices attached thereto) to be filed in the office of the Secretary for examination by any interested person during the regular business hours of the office of the Secretary.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the Town, this 2nd day of July, 2024.

\_\_\_\_\_  
Secretary

[SEAL]

EXHIBIT "B"

LEASE

[See Transcript Document No. \_\_\_\_]



EXHIBIT "C"

MASTER RESOLUTION

[See Transcript Document No. \_\_\_\_]

EXHIBIT "D"

SECURITY DOCUMENTS

[See Transcript Document No. \_\_\_\_]

SCHEDULE 1  
NOTICE OF MEETING

SCHEDULE 2

Notice of Annual Meetings

Virgin, Utah

July 2, 2024

The Board of Trustees (the "Board") of the Local Building Authority of Virgin Town, Washington County, Utah (the "Authority") pursuant to due notice met in Regular Public Session at its regular meeting place, the Virgin Town Office, 114 South Mill Street, Virgin, Utah, at 3:00 o'clock p.m. on Tuesday, the 2nd day of July, 2024, with the following members of the Board being present, constituting a quorum of the Board:

<u>Name</u>	<u>Title</u>
Jean Krause	President
Mistie Baird	Member
Paul Luwe	Member
April McKeon	Member
Marci Holm	Member

Also Present:

Krystal Percival	Secretary
_____	_____

Absent:

_____	_____
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After the minutes of the preceding meeting had been duly read and approved, the Secretary presented to the Board an affidavit evidencing the giving of not less than 24 hours public notice of the agenda, date, time and place of the July 2, 2024, Regular Meeting of the Board in compliance with the requirements of §52-4-202, et. seq., Utah Code Annotated, 1953, the Utah Open Meeting Act, by (1) posting written notice of the meeting at the principal office of the Authority; and (2) providing notice to at least one (1) newspaper of general circulation within the geographic jurisdiction of the Authority, or to a local media correspondent. The affidavit was ordered recorded in the minutes of the meeting and is as follows:

STATE OF UTAH )  
 : SS.  
COUNTY OF WASHINGTON )

I, KRYSTAL PERCIVAL, the undersigned Secretary of the Local Building Authority of Virgin Town, Washington County, Utah (the "Issuer"), do hereby certify that I gave written public notice of the agenda, date, time and place of the special meeting held by the Board of Trustees (the "Governing Body") of the Issuer on July 2, 2024, not less than 24 hours in advance of the meeting. The public notice was given in compliance with the requirements of the Utah Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended, by:

- (a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the Issuer’s principal offices at least twenty-four (24) hours prior to the convening of the meeting;
- (b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Issuer’s official website at least twenty-four (24) hours prior to the convening of the meeting; and
- (c) By causing a copy of such Notice to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2024 Annual Meeting Schedule for the Issuer (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Board of Trustees to be held during the year, by causing said Notice to be (i) posted in January \_\_, 2024, at the principal office of said Governing Body, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted on the City's official website.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed or imprinted hereon the official seal of the Authority, this 2nd day of July, 2024.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

By \_\_\_\_\_  
Secretary

[SEAL]

EXHIBIT A

[Attach Notice of Public Meeting]

NOTICE AND AGENDA OF REGULAR MEETING

\* \* \* \* \*

PLEASE TAKE NOTICE that the Board of Trustees of the Local Building Authority of Virgin Town, will hold a Regular Meeting on Tuesday, the 2nd day of July, 2024, at its regular meeting place, the Virgin Town Office, 114 South Mill Street, Virgin, Utah, at the hour of 3:00 o'clock p.m.

The Agenda for the meeting consists, in part, of the following:

- (1) Consideration and adoption of a Resolution authorizing an annually renewable Lease, a Master Resolution, Security Documents and the issuance and sale by the Authority of its Local Building Authority of Virgin Town, Washington County, Utah Lease Revenue Bond, Series 2024 to finance the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities; calling of a public hearing to receive input with respect to the issuance of Lease Revenue Bonds and any impact to the private sector from the construction of the Facility to be funded by the Bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated; and
- (2) Any other business that may come before said meeting.

DATED this 1st day of July, 2024.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

By \_\_\_\_\_  
Secretary



Thereupon, after the conduct of other business not pertinent to the following, the following Resolution was introduced, in written form by the President and, pursuant to motion duly made by \_\_\_\_\_, and seconded by \_\_\_\_\_, was adopted by the following vote:

AYE: Jean Krause  
Mistie Baird  
Paul Luwe  
April McKeon  
Marci Holm

Nay: None.

This Resolution was thereupon signed by the President, was attested and countersigned by the Secretary and was ordered recorded in the official record of the Authority.

The Resolution is as follows:

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE LOCAL BUILDING AUTHORITY OF VIRGIN TOWN, WASHINGTON COUNTY, UTAH AUTHORIZING AND APPROVING THE EXECUTION BY THE AUTHORITY OF AN ANNUALLY RENEWABLE LEASE AGREEMENT, BY AND BETWEEN THE AUTHORITY AND VIRGIN TOWN, WASHINGTON COUNTY, UTAH (THE "TOWN"); AUTHORIZING THE ISSUANCE AND SALE OF ITS LEASE REVENUE BOND, SERIES 2024 (THE "BOND"); AUTHORIZING THE EXECUTION BY THE AUTHORITY OF A MASTER RESOLUTION, SECURITY DOCUMENTS AND OTHER RELATED DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE FINANCING OF THE COST OF PURCHASING PROPERTY USE AS A TOWN HALL, PUBLIC SAFETY FACILITY, POST OFFICE AND RELATED FACILITIES; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.**

WHEREAS, Virgin Town, Washington County, Utah (the "Town") has previously authorized and directed the creation of the Local Building Authority of Virgin Town (the "Authority") pursuant to the provisions of a Resolution adopted on April 24, 2013 (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the Mayor and Town Council contained in 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 “Act”); and

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 Town in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the Town exists; and

WHEREAS, the Authority intends to purchase property for use as a town hall, public safety facility, post office and related facilities; and

WHEREAS, the Town desires to lease, as lessee on an annually renewable basis, the town hall, public safety facility, post office and related improvements and to provide for interim financing during construction with bond anticipation notes (the “Project”) to be used by the Town in the performance of its public purposes; and

WHEREAS, the Authority desires to lease the Project, as lessor, on an annually renewable basis, to the Town as lessee; and

WHEREAS, the Project is to be leased to the Town, as lessee, on an annually renewable basis by the Authority, as lessor, pursuant to the terms and provisions of that certain Lease Agreement, in substantially the form presented to this meeting and attached hereto as Exhibit “B” (the “Lease”) and herein authorized and approved; and

WHEREAS, to finance the costs of acquiring and constructing the Project, the Authority proposes to issue its Lease Revenue Bond, Series 2024 in the principal amount not to exceed \$2,500,000 (the “Series 2024 Bond”) and Bond Anticipation Note, Series 2024 (the "Note"), in an amount not to exceed that of the Series 2024 Bonds, to mature not later than three (3) years from the date of said Note and to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed six (6.0%) percent, all pursuant to this Resolution and a Master Resolution (the “Master Resolution”), in substantially the form presented to this meeting and attached hereto as Exhibit “C”, the Authority proposes to secure its payment obligations under the Series 2024 Bond by executing a Deed of Trust, Assignment of Rents and Security Agreement and financing statements with respect to the Project in substantially the forms presented to this meeting and attached hereto as Exhibit “D” (collectively the “Security Documents”) for the benefit of the holders of the Series 2024 Bond; and

WHEREAS, the Series 2024 Bond shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the Town on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the Town or constitute a charge against its general credit or taxing power; and

WHEREAS, the Town desires to improve and promote the local health and general welfare of the citizens of the Town by entering into the Lease; and

WHEREAS, the State Bank of Southern Utah (the “Purchaser”) has offered to purchase the Series 2024 Bond and the Authority desires to sell the Series 2024 Bond; and

WHEREAS, the Mayor and Town Council, by its Resolution dated July 2, 2024 (the “Town Resolution”) shall authorize, approve and direct the execution of the Lease and shall authorized the issuance of the Series 2024 Bond and acquisition of the Project, and shall further authorize the execution of the Lease, the Master Resolution and the Security Documents, and certain other acts to be taken by the Authority in connection therewith; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (i) give notice of its intent to issue such Bonds and (ii) hold a public hearing to receive input from the public with respect to the issuance of the Bonds and the potential economic impact on the private sector from the construction of the facility to be funded by the Bonds; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, in order to allow for flexibility in setting the financial terms of the Series 2024 Bonds once costs of the Project are finally determined and to optimize debt service costs to the Issuer, the Authority desires to grant to the President, in accordance with state law, the authority to approve the interest rates, principal amounts, terms maturities, redemption features and purchase price at which the Series 2024 Bonds shall be sold and any changes with this Resolution, provided that such terms do not exceed the parameters set forth for such terms in Sections 6 and 17 of this Resolution (the “Parameters”);

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LOCAL BUILDING AUTHORITY OF VIRGIN TOWN AS FOLLOWS:

**Section 1.** All action heretofore taken (not inconsistent with the provisions of this Resolution, the Town Resolution or the Creating Resolution) by the Governing Board and by the officers of the Authority directed toward the issuance of the Series 2024 Bond are hereby ratified, approved and confirmed.

**Section 2.** The Governing Board hereby authorizes, approves and directs the leasing of the Project to the Town by the Authority in the manner provided in the Lease.

**Section 3.** The Lease, in the form presented to this meeting and attached hereto as Exhibit “B”, is in all respects approved, authorized and confirmed and the President of the Authority is authorized to approve the final terms thereof and to execute and deliver the Lease in the form and with substantially the same content as set forth in Exhibit “B” for and on behalf of the Authority.

**Section 4.** The Master Resolution in substantially the form presented to this meeting and

attached hereby as Exhibit “C” is in all respects authorized, approved and confirmed. The President of the Authority is hereby authorized to execute and deliver the Master Resolution in the form and with substantially the same content as set forth in Exhibit “C” for and on behalf of the Authority.

**Section 5.** For purposes of providing funds (1) to acquire and construct the Project; and (2) to pay certain costs of issuance of the Series 2024 Bond, and for such other purposes as may be authorized under the Master Resolution, the Authority shall issue the Series 2024 Bond which shall be designated the “Local Building Authority of Virgin Town Office Lease Revenue Bond, Series 2024.”

**Section 6.** The Authority hereby authorizes the issuance of the Series 2024 Bond in an amount not to exceed \$2,500,000 and the sale of the Series 2024 Bond to State Bank of Southern Utah (the “Purchaser”) and a Bond Anticipation Note, Series 2024 (the "Note"), in an amount not to exceed that of the Series 2024 Bonds, to mature not later than three (3) years from the date of said Note and to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed six (6.0%) percent. The Series 2024 Bond and Note shall be dated, shall be issued as a fully registered bond, and shall mature as provided in the Master Resolution.

The forms, terms and provisions of the Series 2024 Bond and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolution in the form to be executed by the Authority. The Series 2024 Bond shall mature prior to the expiration of the estimated useful life of the Project. The President of the Authority is hereby authorized to execute the Series 2024 Bond, to place thereon the seal of the Authority and to deliver the Series 2024 Bond to the Purchaser. The Secretary of the Governing Board of the Authority is authorized to attest to the signature of the President and affix the seal of the Authority to the Series 2024 Bond and to authenticate the Series 2024 Bond. The signatures of the President and the Secretary of the Governing Board of the Authority may be by facsimile or manual execution.

**Section 7.** The appropriate officials of the Authority are hereby authorized to execute and deliver the Security Documents in substantially the forms and with substantially the same content as set forth in Exhibit “D” attached hereto for and on behalf of the Authority.

**Section 8.** The appropriate officers of the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction as contemplated thereby and are authorized to take all action necessary in conformity with the Acts and the Articles to lease the Project to the Town pursuant to the Lease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2024 Bond.

**Section 9.** Upon the issuance, the Series 2024 Bond will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2024 Bond and the Master Resolution. No provision of this resolution or of the Lease, the Master Resolution, the Security Documents, the Series 2024 Bond, or any other instrument, shall be construed as creating a general obligation of the Town, or as incurring or creating a charge upon the general credit of the Town or its taxing powers. As specified by the Town in the Town

Resolution, the Town shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost of making any payment in respect of the Series 2024 Bond, except in connection with the payment of the Base Rentals, Additional Rentals, and Purchase Option Price, pursuant to the Lease (as those terms are defined in the Lease), which may be terminated by the Town on any annual renewal date thereof in accordance with the provisions of such Lease.

**Section 10.** The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Lease, the Master Resolution and the Security Documents herein authorized and approved which may be necessary which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the Town Resolution, the Creating Resolution or any resolution adopted by the Town or the Authority, or the provisions of the laws of the State of Utah or the United States.

**Section 11.** If any provisions 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 12.** The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the Lease, the Master Resolution, the Security Documents, the Series 2024 Bond, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the Town or 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 to perform all other acts 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 13.** The form, terms and provisions of the Series 2024 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be set forth in the Master Resolution. The President and the Secretary of the Issuer are hereby authorized and directed to execute and seal the Series 2024 Bonds.

**Section 14.** The appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Master Resolution and the Series 2024 Bonds or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2024 Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States.

**Section 15.** In consideration of the purchase of the Series 2024 Bond by the holders thereof from time to time, the obligations and undertakings of the Town under the Lease, and in accordance with the provisions of the Act and the Articles, the Authority does hereby pledge to and agree with the holders of the Series 2024 Bond and the Town that the Authority, to the extent of its powers under the Articles and under the Constitution and laws of the State of Utah, including the Act, will

not alter, impair or limit the rights vested in the holders of the Series 2024 Bond or the Town until the Series 2024 Bond is deemed to have been discharged in accordance with the terms and provisions of the Master Resolution, the Lease, and the Security Documents.

**Section 16.** After any of the Series 2024 Bond is delivered to the Purchaser and upon receipt of payment therefore, this Resolution shall be and remain irrevocable until the Series 2024 Bond is deemed to have been fully discharged in accordance with the terms and provisions of the Master Resolution.

**Section 17.** The Issuer shall hold a public hearing on July 23, 2024, to receive input from the public with respect to the issuance of the Bonds and any potential impact to the private sector from the construction of the Project to be funded by the Bonds, which hearing date shall be not less than fourteen (14) days after notice of the public hearing is (A) first published once a week for two consecutive weeks in the Spectrum, a newspaper of general circulation in the Issuer and (B) published on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended. The Issuer directs its officers and staff to publish a Notice of Public Hearing in substantially the following form:

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE IS HEREBY GIVEN that on July 23, 2024, the Board of Trustees of the Local Building Authority of Virgin Town (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Lease Revenue Bonds (the "Bonds") and Bond Anticipation Note ("Note") pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and to call a public hearing to receive input from the public with respect to the issuance of the Bonds.

The Issuer shall hold a public hearing on July 23, 2024, at the hour of 4:00 p.m. The location of the public hearing is in the Virgin Town Office, 114 South Mill Street, Virgin, Utah. The purpose of the meeting is to receive input from the public with respect to the issuance of the Bonds and Note and any potential economic impact to the private sector from the acquisition of purchase of property for use as a town hall, public safety facility, post office and related facilities to be funded by the Lease Revenue Bonds and Note in the amount not to exceed \$2,500,000 for financing the Project. All members of the public are invited to attend and participate.

DATED this 2nd day of July, 2024.

          /s/ Krystal Percival            
Secretary

[Publish once each week for two consecutive weeks.]

**Section 18.** The Issuer shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Issuer’s principal offices for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof. The Issuer directs its officers and staff to publish a Notice of Bonds to be Issued in

substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN that on July 2, 2024, the Board of Trustees of the Local Building Authority of Virgin Town, Washington County, Utah (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Lease Revenue Bonds (the "Bonds") pursuant to the provisions of the Utah Government Bonding Act, Title 11, Chapter 14, 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 "Act").

The Issuer intends to issue the Bonds in the principal amount of not to exceed \$2,500,000, to bear interest at a rate not to exceed 6.0% per annum, to mature in not to more than 20 years from their date or dates, and to be sold at a price not less than 100% of the total principal amount thereof, plus accrued interest to the date of delivery.

NOTICE IS FURTHER GIVEN that the Issuer authorized the issuance of a Bond Anticipation Note, Series 2024 (the "Note"), in the aggregate principal amount not to exceed the principal amount of the Series 2024 Bonds. Said Note to mature not later than three (3) years from its date and payable when funds are available from the sale of the Bonds. Said Note shall bear interest at a rate not to exceed 6.0% per annum, shall be dated as of the date of its execution and delivery and to be sold at a discount from par, expressed as a percentage of principal amount, of not to exceed three (3.0%) percent.

The Issuer intends to issue the Bonds and Note for the purpose of (i) financing a portion of the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities; and (ii) paying costs of issuing the Bonds.

OUTSTANDING BONDS SECURED BY THE SAME REVENUE

There are no outstanding bonds secured by the revenues from the lease of the property being acquired, which revenues are being pledged to secure the payment of the Bonds.

ESTIMATED TOTAL COST OF THE BONDS

Although the Resolution authorizes the issuance of Bonds in the aggregate principal amount of up to \$2,500,000, the Issuer anticipates that the actual principal amount of the Bonds will be \$1,800,000, in which case the estimated total cost to the Issuer for the proposed Bonds is \$2,608,932, including an estimated cost of interest on the Bonds is \$808,932.

A copy of the Resolution is on file in the office of the Town Clerk in Virgin, Utah, where it may be examined during regular business hours of the Town Clerk from 10:00 a.m. to 2:00 p.m., Monday through Thursday, for a period of at least 30 days from and after date of the last date of publication of this Notice.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of thirty (30) days from

and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the above-described Resolution of the Board of Trustees of the Authority adopted on July 2, 2024, the Master Resolution (only as it relates to the Bonds), or the Bonds or any provision made for the security and payment of the Bonds, and that after such time no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

DATED this 2nd day of July, 2024.

          /s/  Krystal Percival            
Town Clerk

[Publish once each week for two consecutive weeks.]

**Section 19.** All bylaws, orders and resolutions of the Authority 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.

**Section 20.** This Resolution shall become effective immediately upon adoption by the Governing Board of the Authority.

ADOPTED AND APPROVED by the Board of Trustees of the Local Building Authority of Virgin Town, Washington County, Utah, this 2nd day of July, 2024.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

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

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business of the Agenda, the meeting was adjourned.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN



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

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

STATE OF UTAH )  
 : SS.  
COUNTY OF WASHINGTON )

I, KRYSTAL PERCIVAL, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Local Building Authority of Virgin Town, Washington County, Utah (the "Issuer"). I further certify that the above and foregoing constitutes a true and correct copy of the minutes of a special public meeting of the Board of Trustees of the Issuer, held on July 2, 2024, including a Resolution adopted at such meeting, together with exhibits and appendices attached thereto, as said minutes, resolution and appendices are recorded in the regular official book of minutes of the proceedings of the Governing Body kept in the office of the Secretary that said proceedings were duly had and taken as therein shown, that the meeting thereon shown was in all respects called, held and conducted in accordance with law, and that the persons therein named were present at said meeting, as therein shown.

I further certify and I caused a true and correct copy of the above-referenced resolution (including all exhibits and appendices attached thereto) to be filed in the office of the Secretary for examination by any interested person during the regular business hours of the office of the Secretary.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the Issuer, this 2nd day of July, 2024.

\_\_\_\_\_  
Secretary

[SEAL]

EXHIBIT "B"

LEASE

[See Transcript Document No. \_\_\_\_]

EXHIBIT "C"

MASTER RESOLUTION

[See Transcript Document No. \_\_\_\_]

EXHIBIT "D"

SECURITY DOCUMENTS

[See Transcript Document No. \_\_\_\_]

SCHEDULE 1  
NOTICE OF MEETING

SCHEDULE 2

Notice of Annual Meetings

MASTER RESOLUTION  
OF  
LOCAL BUILDING AUTHORITY OF  
VIRGIN TOWN,  
WASHINGTON COUNTY, UTAH  
AS ISSUER  
DATED AS OF \*, 2024



MASTER RESOLUTION

WHEREAS, Virgin Town, Washington County, Utah (the “Town”) has previously authorized and directed the creation of the Local Building Authority of Virgin Town, Washington County, Utah (the “Authority”) pursuant to the provisions of a Resolution dated April 24, 2013 (the “Creating Resolution”); and

WHEREAS, pursuant to the direction of the Mayor and Town Council of the Town (the “Governing Body”) contained in 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 (the “Nonprofit Corporation Act”) and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated, as amended (the “Utah Local Building Authority Act” and collectively with the Nonprofit Corporation Act, the “Acts”); and

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 cost on behalf of the Town in accordance with the procedures and subject to the limitations of the Utah Local Building Authority Act in order to accomplish the public purposes for which the Town exists; and

WHEREAS, the Authority is possessed under the Articles of all powers set forth in the Acts and the Constitution and other laws of the State of Utah, including, without limitation, the power to acquire, own, hold, lease and improve real and personal property, and to enter into agreements providing for a lease, mortgage or other conveyance of real and personal property and to issue its notes, bonds or other obligations. and

WHEREAS, the Town and the Authority desire to finance the cost to cost of purchase property for use as a town hall, public safety facility, post office and related facilities (the “Project”); and

WHEREAS, the Authority now desires to finance such Project through the issuance of its Lease Revenue Bonds, Series 2024 (the “Series 2024 Bonds”); and

WHEREAS, pursuant to a Lease Agreement dated as of even date herewith between the Authority and the Town (the “Lease”), the Town will lease, as lessee, the Project from the Authority on an annually renewable basis; and

WHEREAS, under the provisions of a Resolution of the Town adopted on July 2, 2024 (the “Town Resolution”), the Town has authorized and approved the execution of the Lease and has

authorized and approved certain actions to be taken by the Authority in connection with the financing of the Project, including the adoption of this Master Resolution and the issuance of the Series 2024 Bonds hereunder; and

WHEREAS, pursuant to the provisions of a Resolution adopted on July 2, 2024 (the “Authorizing Resolution”), the Governing Board of the Authority (the “Governing Board”) has authorized, approved and directed the execution of the Lease and has authorized and approved certain actions to be taken by the Authority in connection with the financing of the Project, including the adoption this Master Resolution and the issuance of the Series 2024 Bonds hereunder; and

WHEREAS, it has been determined by the Town and the Authority that the estimated amount necessary to finance the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of the Series 2024 Bonds in the total principal amount of \$1,800,000 as hereinafter provided; and

WHEREAS, the Authority has determined that the Series 2024 Bonds shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Series 2024 Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Series 2024 Bonds; and

WHEREAS, all acts and things required by law and by the Articles and Bylaws of the Authority necessary to make this Master Resolution a valid and binding instrument for the security of all Bonds duly issued hereunder have been done and performed, and the execution and delivery of this Master Resolution have been in all respects duly authorized; and

WHEREAS, the Series 2024 Bonds in registered form are to be in substantially the appropriate form set forth in Exhibit “A” hereto, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Series 2024 Bonds when authenticated by the Authority and issued as in this Master Resolution provided, the valid, binding and legal obligations of the Authority according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal of an premium, if any, and interest, if any, on the Series 2024 Bonds, and to constitute this Master Resolution a valid assignment of (i) the rights of the Authority with respect to the Project under the Lease (except the rights of the Authority under Sections 6.3(d), 13.3 and 14.5 of the Lease) and (ii) the rights of the Town with respect to the Project have been done and performed and the creation, execution and delivery of this Master Resolution, and the creation, execution and issuance of the Series 2024 Bonds, subject to the terms hereof, have in all respects been duly authorized; and

WHEREAS, it is desired to provide for the issuance of a Bond Anticipation Note in the amount of \$1,800,000 in anticipation of the issuance of Series 2024 Bond, said Note to be known as the "Lease Revenue Bond Anticipation Note, Series 2024", (the "Note") in order to expedite the financing in accordance with the rules and regulations adopted and promulgated by State Bank of Southern Utah and the Governing Body of the Issuer desire to provide herein for the form and content of said Bond Anticipation Note which shall be issued in accordance with Section 11-14-311 of Utah Code Annotated, 1953, as amended;

NOW THEREFORE, be it resolved by the Governing Board of the Local Building Authority of Virgin Town, Washington County, Utah as follows:

ARTICLE I

DEFINITIONS

All terms defined in Article I of the Lease shall have the same meaning in this Master Resolution unless otherwise indicated. In addition, unless the context otherwise requires, the terms defined in this Article I shall, for all purposes of this Master Resolution and the Lease, have the meaning herein specified.

“Authority” means the Local Building Authority of Virgin Town, Washington County, Utah.

“Bond” or “Bonds” means collectively the Series 2024 Bonds, and any Additional Bonds and Refunding Bonds issued hereunder, issued in substantially the appropriate forms set forth in Exhibit “A”.

“Bond Documents” means the Lease, the Security Documents and this Master Resolution.

“Bond Fund” means the bond fund established under Section 7.2 herein.

“Bondholder” means the person or persons in whose name or names a Bond shall be registered on the books of the Authority kept for that purpose in accordance with provisions of this Master Resolution.

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

“Escrow Account” means the escrow account created and administered under the Escrow Agreement by the Escrow Agent.

“Escrow Agent” means the Treasurer for the State of Utah, or its successors and assigns.

“Escrow Agreement” means the Escrow Agreement by and among the Authority, the Town, the State Bank, and the Escrow Agent.

“Event of Default” means any occurrence or event specified in and defined by Section 11.1 hereof.

“Government Obligations” means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury (“SLGS”);
- (b) United States Treasury bills, notes and bonds, as traded on the open market; and
- (c) Zero Coupon United States Treasury Bonds.

“Investment Obligations” shall mean any investment permitted for investment of public funds under the State Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended, with an appropriate market value and of an appropriate maturity.

“Lease” means the Lease Agreement dated as of \*, 2024, between the Authority, as lessor, and the Town, as lessee, and any amendments and supplements thereto.

“Original Issue Date” means the initial delivery date of the Series 2024 Bonds.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Authority under this Master Resolution, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds for the payment or redemption of which cash funds shall have been theretofore deposited with a trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given;
- (c) Bonds in lieu of which others have been authenticated under Section 4.3, Section 4.6, Section 4.7 and Section hereof; and
- (d) Bonds deemed paid under Article X of this Master Resolution.

“Paying Agent” with respect to the Series 2024 Bonds means the Treasurer of the Authority, and his/her successors.

“Principal Payment Date” means each January 15 commencing January 15, 2025.

“Project” means financing the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities for Town purposes, as more fully described in Exhibit

“C” hereto and the acquisition of an ownership interest in the Project Site by the Authority.

“Project Site” means real property, as more fully described in Exhibit “C” hereof, upon which the Project is located.

“Registrar” with respect to the Series 2024 Bonds means the Secretary of the Authority, and his/her successors.

“Security Documents” means collectively a deed of trust, assignment of rents and security agreement with respect to the Project.

“Series 2024 Bonds or Bond” means the Authority’s Lease Revenue Bonds, Series 2024 issued in the aggregate principal amount of \$1,800,000 and bearing interest at the rate of five and one-half percent (5.5%) per annum on the unpaid principal amount.

“State Bank” means State Bank of Southern Utah.

“Town” means Virgin Town, Washington County, Utah.

ARTICLE II

THE SERIES 2024 BONDS

Section 2.1. Authorized Amount of Bonds. No Series 2024 Bonds may be issued under the provisions of this Master Resolution except in accordance with this Article. The total principal amount of Series 2024 Bonds that may be issued is hereby expressly limited to \$1,800,000 except as provided in Section 4.3, Section 4.6 Section 4.7 and Section 4.8 thereof.

The Series 2024 Bonds shall be in such form as to permit the State Bank to make incremental advances on its total loan commitment to the Issuer during the period of acquisition and construction, if any, of the Project.

Section 2.2. Issuance of Series 2024 Bonds. For purposes of (i) financing all or a portion of the cost of acquiring the Project and (ii) paying costs of issuance of the Series 2024 Bonds, the Authority hereby authorizes the issuance of its Series 2024 Bonds in the principal amount of \$1,800,000. The Series 2024 Bonds shall be issued in substantially the form set forth in Exhibit “A”, in fully registered form, shall bear interest and shall be payable as specified herein. The Series 2024 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2024 Bonds shall be designated as, and shall be distinguished from Bonds of all other Series by the title, “Local Building Authority of Virgin Town, Washington County, Utah Lease Revenue Bond, Series 2024.”

The Series 2024 Bond shall be dated the Original Issue Date shall accrue interest from the Original Issue Date on the unpaid principal balance at the rate of five and one-half percent (5.5%)

per annum and shall mature on the dates and in the amounts as follows:

<u>Payment Date</u>	<u>Total Principal Series 2024 Bond</u>	<u>Interest Payment Series 2024 Bond</u>	<u>Total Payment</u>
January 15, 2025	\$140,378.81	\$33,550.00	\$173,928.81
January 15, 2026	\$ 81,381.88	\$92,546.93	\$173,928.81
January 15, 2027	\$ 85,920.05	\$88,008.76	\$173,928.81
January 15, 2028	\$ 90,711.29	\$83,217.53	\$173,928.81
January 15, 2029	\$ 95,555.56	\$78,373.25	\$173,928.81
January 15, 2030	\$101,098.25	\$72,830.56	\$173,928.81
January 15, 2031	\$106,735.88	\$67,192.93	\$173,928.81
January 15, 2032	\$112,687.89	\$61,240.92	\$173,928.81
January 15, 2033	\$118,821.24	\$55,107.57	\$173,928.81
January 15, 2034	\$125,597.74	\$48,331.07	\$173,928.81
January 15, 2035	\$132,601.56	\$41,327.25	\$173,928.81
January 15, 2036	\$139,995.93	\$33,932.88	\$173,928.81
January 15, 2037	\$147,731.07	\$26,197.74	\$173,928.81
January 15, 2038	\$156,040.71	\$17,888.10	\$173,928.81
January 15, 2039	\$164,742.15	\$ 9,186.66	\$173,928.81

Interest shall accrue on the Series 2024 Bond from the Original Issue Date. The Series 2024 Bond shall be initially issued as one fully registered Bond.

If less than \$1,800,000 is advanced on the Series 2024 Bond, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of maturities (and the amount of the final remaining principal installment shall be reduced, if required) to correspond to the maximum principal amount of the Series 2024 Bonds.

Except as provided in the next succeeding paragraph, payments, whether at maturity or by redemption shall be payable upon presentation and surrender for payment of the Series 2024 Bonds by check in any currency which on the date of payment is legal tender for the payment of debts due the United States of America, to the Registered Owner thereof. Interest shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Authority maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner.

So long as the State Bank is the Registered Owner of the Bonds, payments of principal and interest shall be made by check or draft and mailed to the State Bank as the Registered Owner at the address shown on the registration books maintained by the Registrar.

ARTICLE III

BOND ANTICIPATION NOTE

Section 3.1. It has been determined to be necessary and appropriate to issue a Bond Anticipation Note based upon the issuance of the Lease Revenue Bond, Series 2024, pursuant to Section 11-14-311, Utah Code Annotated, 1953, as amended.

Accordingly, there shall be issued a Bond Anticipation Note of the Issuer denominated the "Local Building Authority of Virgin Town, Washington County, Utah, Lease Revenue Series 2024 Bond Anticipation Note" (the "Note") in the aggregate principal amount of \$1,800,000. The Note shall be dated as of the date of its execution and delivery, shall be in the denomination of \$1,800,000, shall be unnumbered and shall bear interest on the unpaid balance at the rate of not to exceed six (6.0%) per cent per annum from the date of delivery thereof, or of any installment thereof, until the payment of principal, said interest being payable on the date of maturity, or on the prior redemption date, such principal and interest being payable in lawful money of the United States of America at State Bank of Southern Utah.

The Bond Anticipation Note is hereby sold to State Bank of Southern Utah, the principal sum of which shall be paid to the Issuer from time to time and noted on the Treasurer's Certificate of Dates of Payment and Amount shown at the end of the Bond Anticipation Note.

The Bond Anticipation Note shall be issued in registered form and shall be payable as to principal and interest only to the registered holder or his or its legal representative. Interest on said Note shall run from the date of delivery which shall be specified therein until payment of principal and the Treasurer of the Issuer shall cause such date to be stamped or written at the appropriate place on the Certificate of Dates of Payment and Amount at the appropriate time.

Section 3.2. The President and Secretary shall cause to be prepared, executed by them and issued under the seal of the Local Building Authority of Virgin Town, Washington County, Utah, a Fully Registered Lease Revenue Bond Anticipation Note in substantially the following form:

**UNITED STATES OF AMERICA  
STATE OF UTAH  
COUNTY OF WASHINGTON  
LOCAL BUILDING AUTHORITY OF VIRGIN TOWN**

**LEASE REVENUE BOND ANTICIPATION NOTE, SERIES 2024  
\$1,800,000.00**

\* \* \* \* \*

The Local Building Authority of Virgin Town, Washington County, State of Utah (hereinafter the "Issuer"), for value received, promises to pay to the order of the registered owner the Total Principal Sum set forth in the Certificate of Dates of Payment and Amount set forth at the end of this Note, but in no event more than a Maximum Principal Amount of ONE MILLION EIGHT HUNDRED THOUSAND (\$1,800,000.00) DOLLARS, in lawful money of the United States of America, on the \_\_\_ day of \_\_\_\_\_, 20\_\_, together with interest on the total unpaid balance at the rate of \_\_\_\_\_ (\_\_\_%) per cent per annum accruing from the date of each incremental advance, payable on \_\_\_\_\_ 1, 20\_\_, and semiannually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, until payment in full of the Principal Amount, except as the provisions set forth in the hereinafter defined Master Resolution with respect to redemption prior to maturity may become applicable hereto. Interest shall accrue on the principal hereof from the dates of payments of principal made until such principal amounts are paid in full. The principal amount of this Note shall be the Total Principal Sum set forth in the Treasurer's Certificate and certified to by the Treasurer by the placing of his signature and impressing the seal of the Issuer in the spaces provided opposite said amount. In no event shall the Total Principal Sum exceed the Maximum Principal Amount of \$1,800,000.

Both principal and interest on this Bond Anticipation Note shall be payable in full from the proceeds of the issuance of the Series 2024 Bond.

This Bond Anticipation Note was duly authorized and issued in anticipation of the receipt of the proceeds of the sale of the \$1,800,000 Lease Revenue Bond, Series 2024 (the "Series 2024 Bond") of the Issuer, which Series 2024 Bond was authorized to be issued pursuant to a Master Resolution adopted by the Governing Body of the Issuer on \*, 2024.

This Note is redeemable at the option of the Issuer at any time upon the mailing of a notice to the registered holder hereof by registered mail, not less than thirty (30) days prior to the date set for redemption.

This Note and the interest thereon are secured by a pledge of the income and revenues derived by the Issuer from the System, the improvements of which are to be undertaken with the proceeds of this Note and are also payable from funds derived from the sale of the Bond, the anticipation of which this Note is issued, to the United States of America which has committed to purchase the Local Building Authority of Virgin Town, Washington County, Utah, Lease Revenue



Bond, Series 2024, in the principal amount of \$1,800,000.

This Note is issued under and pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, generally, and Section 11-14-311, Utah Code Annotated, 1953, as amended, specifically and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation.

This Note is subject to the conditions, and every holder hereof agrees with the Issuer and every subsequent holder of this Note, that (a) delivery of this Note and transfer on the books of the Issuer of ownership to any transferee shall vest title in this Note at the time of such delivery to the same extent for all purposes as would any such delivery under like circumstances of any negotiable instrument payable to bearer; (b) the Issuer and any agent of the Issuer may treat the registered owner of this Note as the absolute owner thereof for all purposes and shall not be affected by any notice to the contrary; (c) the principal on this Note shall be par and this Note is transferable on the books of the Issuer free from and without regard to any equities, setoffs, or crossclaims between the Issuer and the original or any subsequent registered holder thereof and free from any claims of ownership by any such registered holder; and (d) the surrender to the Issuer or to any agent of the Issuer of this Note shall be a good discharge of the Issuer for the same.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Utah and the proceedings authorizing the issuance hereof to happen, exist and be performed precedent to and in the issuance of this Note have happened, exist and have been performed as so required.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed by its President and Secretary under the corporate seal of said Issuer as of this \_\_\_\_ day of \_\_\_\_\_, 2024.

LOCAL BUILDING AUTHORITY OF VIRGIN TOWN

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

ATTEST:  
\_\_\_\_\_  
Secretary

(SEAL)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by the Registrar.)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

\* \* \* \* \*

Section 3.3. In consideration of the purchase of the said Bond Anticipation Note by State Bank of Southern Utah, the Governing Body of the Issuer hereby agrees that so long as any part of said Note authorized herein remains outstanding:

- (a) The holder of said Note shall have the right to enforce all of the covenants prescribed by the proceedings authorizing the issuance of the Lease Revenue Bond, Series 2024;
- (b) The Governing Body represents that it has the power to issue and sell the Lease Revenue Bond, Series 2024 (the "Series 2024 Bond");
- (c) Upon the issuance of the Series 2024 Bond, the Note herein authorized shall simultaneously be paid, as to both principal and interest and shall be canceled;
- (d) The Governing Body will apply the proceeds of said Note solely for the purpose for which it is herein authorized;
- (e) The holder of the Note herein authorized shall have any and all rights and remedies either at law or in equity to enforce the provisions of this Resolution and the Note herein authorized;

Section 3.4 Registrar and Paying Agent. The Governing Body of the Local Building Authority of Virgin Town, Washington County, Utah hereby designate State Bank of Southern Utah, or its successors as the "Registrar" and the "Paying Agent". Payments on the Note shall be payable to the registered holder hereof at its address as it appears on the registration books of the Paying Agent or at such other address as is furnished by such registered holder. Paying Agent is a duly incorporated banking corporation organized under the Banking Act and has trust powers.

ARTICLE IV

EXECUTION, AUTHENTICATION, DELIVERY AND  
REGISTRATION OF SERIES 2024 BONDS AND NOTE

Section 4.1. Execution; Limited Obligation. The Series 2024 Bonds and Note shall be executed on behalf of the Authority with the facsimile or manual signature of the President of its Governing Board and shall have impressed or imprinted thereon the official seal of the Authority and be attested with the facsimile or manual signature of the Secretary of the Governing Board of the Authority. All authorized facsimile signatures shall have the same force and effect as if manually signed.

The Series 2024 Bonds and Note shall not be a general obligation but shall be special, limited obligations of the Authority payable solely out of and to the extent available from the Base Rentals, and, if paid by the Town, the Purchase Option Price and other amounts derived from the leasing of the Project (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 2024 Bonds and Note or to income from the temporary investment thereof and, under certain circumstances, to moneys held in funds or accounts by the Authority to proceeds from insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the Project) and shall be a valid claim of the respective Bondholders thereof only against the Bond Fund and other moneys held by the Authority and the Base Rentals, and other amounts derived from the leasing of the Project under the Lease, which Base Rentals and other amounts are hereby pledged, assigned and otherwise secured for the equal and ratable payment of the Series 2024 Bonds and Note and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2024 Bonds and Note, except as may be otherwise expressly authorized in this Master Resolution or in the Lease. The Authority shall not be obligated to pay the principal of such Series 2024 Bonds and Note or the interest thereon or other costs incident thereto except from the moneys pledged therefor under this Master Resolution. The Series 2024 Bonds and Note and the interest thereon shall never constitute an indebtedness of the Town within the meaning of any constitutional limitation or statutory provision and shall not constitute or give rise to a pecuniary liability of the Town or a charge against the general credit or taxing power of the Town. Neither the Town, not the Authority on its behalf, has pledged the credit of the Town to the payment of the Series 2024 Bonds and Note, the interest thereon or amounts due or to become due under the Lease. The Town shall not be obligated to appropriate Town funds for the purpose of paying Base Rentals, Additional Rentals or the Purchase Option Price under the Lease, and no judgment may be entered against the Town in the event of an insufficiency of moneys to pay the principal of, premium, if any, and interest on the Series 2024 Bonds and Note. The payment obligations of the Town under the Lease are subject to annual renewal and will be terminated upon the occurrence of an Event of Nonappropriation. In such event, all payments from the Town under the Lease will terminate, and the Series 2024 Bonds and Note and the interest thereon will be payable solely from and to the extent of such moneys, if any, as may be held by the Authority under this Master Resolution (except amounts held for the payment of Bonds and Note not deemed Outstanding) and any moneys made available from a liquidation of the Project subsequent to foreclosure of the lien of this Master Resolution and the Security Document. No deficiency judgment subsequent to foreclosure of the

lien of this Master Resolution and the Security Documents may be entered against the Town or the Authority, and no breach of any provision of the Lease, the Security documents or this Master Resolution shall impose any general obligation or liability upon or a charge against the Town or the Authority or upon the general credit or taxing powers of the Town. No judgment requiring a payment of money may be entered against the Town under the Lease.

Section 4.2. Delivery of Series 2024 Bonds and Note. Upon the execution and delivery of this Master Resolution, the Authority shall execute and deliver and the Secretary of the Authority shall authenticate the Series 2024 Bonds and Note and deliver them to the State Bank as directed by the Authority as hereinafter in this Section 4.2 provided.

Prior to the delivery of the Series 2024 Bonds and Note, there shall be filed with the Authority:

(a) A copy, duly certified by the Secretary of the Authority of a resolution adopted by the Governing Board of the Authority, and a copy, duly certified by the Secretary of the Town, of a resolution of the governing body of the Town, authorizing the issuance of the Series 2024 Bonds and Note and the execution and delivery of this Master Resolution, the Lease, and the Security Documents;

(b) Original executed counterparts of the Lease, the Security Documents, and this Master Resolution;

(c) An ALTA mortgagee’s policy, or commitment therefor, of mortgage title insurance in an amount equal to the principal amount of the Series 2024 Bonds and Note, issued by a title insurance company satisfactory to the Authority insuring that (i) the Authority has a valid ownership interest in the Project Site, (ii) the Project is subject only to Permitted Encumbrances and (iii) the Security Documents constitute a first lien on the Project Site subject only to Permitted Encumbrances. The policy shall also provide protection against any mechanic’s or materialman’s liens. In the event that title insurance on any portion of the property interests described above cannot be provided at the time of issuance of the Series 2024 Bonds and Note, delivery of such title insurance shall be provided prior to disbursement of amounts to pay costs of such portion of the Project; and

(d) A certificate or other documentation evidencing that the Town has insured the Project as required by Article IX of the Lease.

Section 4.3. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Authority may execute and authenticate a new Bond of like date, maturity and denomination to that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Authority, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority evidence of such loss, theft or destruction satisfactory to the Authority, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or is about to mature, instead

of issuing a duplicate Bond, the Authority may pay the same without surrender thereof making such requirements as it deems fit for its protection, including a lost instrument bond or other satisfactory indemnity. The Authority may charge the Bondholder of such Bond with its reasonable fees and expenses in this connection.

Section 4.4. Registration Provisions. The Authority shall cause books for the registration and for the transfer of the Series 2024 Bonds to be kept by the Secretary who is hereby appointed the Registrar of the Issuer with respect to the Series 2024 Bonds. Any Series 2024 Bonds may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2024 Bonds for cancellation accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Series 2024 Bonds duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Authority shall execute and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same maturity for a like aggregate principal amount as the Series 2024 Bonds surrendered for transfer. Series 2024 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2024 Bonds of other authorized denominations and the same series and maturity. The execution by the Authority of any Series 2024 Bonds of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2024 Bonds. The Registrar shall not be required to transfer or exchange any Bond at any time following the mailing of notice calling such Series 2024 Bonds for redemption.

The Series 2024 Bonds surrendered for final payment, redemption or exchange, shall be promptly canceled and destroyed by the Authority.

The Authority, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2024 Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Authority, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Bond shall be made only to or upon order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Authority may require the payment by the Registered Owner requesting exchange or transfer of Series 2024 Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 4.5. Destruction of Bond. Whenever any Outstanding Bond shall be delivered to

the Authority for cancellation pursuant to this Master Resolution, upon final payment of the principal amount or interest represented thereby, or for replacement or exchange, transfer or partial redemption pursuant to Section 4.3 and Section 4.6 hereof, such Bond shall be promptly canceled and cremated or otherwise destroyed by the Authority and counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Authority to the Town.

Section 4.6. Temporary Bonds. Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bond shall be of such denomination or denominations as may be determined by the Authority, and may contain such reference to any of the provisions of this Master Resolution as may be appropriate. Every temporary Bond shall be executed and authenticated by the Authority upon the same conditions and in substantially the same manner as the definitive Bond. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds at the Authority’s expense (and without cost to the Bondholders of such temporary Bond) without unreasonable delay and thereupon the temporary Bond may be surrendered for cancellation and exchange therefor at the principal office of the Authority, and the Authority shall authenticate and deliver in exchange for such temporary Bond an equal aggregate principal amount of definitive registered Bond of authorized denominations of the same series and the same maturity. Until so exchanged, the temporary Bond shall be entitled to the same benefits under this Master Resolution as a definitive Bond Authenticated and delivered hereunder.

Section 4.7. Issuance of Refunding Bonds. To the extent permitted by law, the Authority may, at the request of the Town authorize the issuance of Refunding Bonds upon the terms and conditions provided herein and in Section 11.7 of the Lease. Refunding Bonds may be issued to provide funds to refund the Bond then Outstanding, in whole or in part, and to pay the costs of the issuance and sale of the Refunding Bonds and other costs reasonably related to the financing as shall be agreed upon by the Town and the Authority; provided, however, that (1) the Authority shall not be in default under this Master Resolution, the Security Documents or the Lease or any provision thereof or hereof, and the issuance of Refunding Bonds shall not constitute a default under the Lease or cause any violation of the covenants or representations of the Town or the Authority in the Lease, the Security Documents or in this Master Resolution; (2) no Event of Default or Event of Nonappropriation shall have occurred under the Lease; (3) the Authority shall have otherwise complied with the provisions of this Section 4.7 with respect to the issuance of such Refunding Bonds; and (4) if the State Bank is the present owner of the Series 2024 Bonds, the Authority shall have obtained the prior written approval of the State Bank for the Authority to issue the Refunding Bonds for the Bonds owned by the State Bank.

Section 4.8. Additional Bonds. So long as the Lease is in effect and no Event of Default under this Master Resolution, the Security Documents or the Lease has occurred and is continuing and so long as no Event of Nonappropriation has occurred and is continuing, one or more series of Additional Bonds may be issued, authenticated and delivered for the purpose of financing (i) costs to complete construction of the Project (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 2024 Bonds, or to income from the temporary investment thereof and, under certain circumstances, to moneys held in funds or accounts by the

Authority, to proceeds from insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the Project), (ii) costs of additions or improvements to the Project or (iii) the cost of acquiring, constructing, equipping and furnishing of any sites, buildings or equipment or continuation thereof, for the use and benefit of the Town, but only to the extent that (I) such additional sites, buildings and equipment, or any combination thereof, constitute a “project” within the meaning of the Utah Local Building Authority Act, and (II) the Lease and the Security Documents are amended as herein provided to include such sites, buildings and equipment as part of the Project thereunder. Such Additional Bonds shall be payable solely from the Base Rentals and, if paid by the Town, the Purchase Option Price and other amounts derived from the leasing of the Project. The Additional Bonds may be issued in one or more series, shall be authenticated by the Authority and, upon payment to the Authority of the proceeds of said sale of Additional Bonds, they shall be delivered by the Authority to or upon the order of the purchasers thereof, but only upon there being filed with the Authority:

(a) Evidence of the authorization of the Authority for such issuance, and an approval by the Town of the terms of the Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed as required under the Lease;

(b) Original executed counterparts of a supplemental resolution, a supplement (if necessary) to the Security Documents, and an amendment of the Lease expressly providing that, for all purposes of this Master Resolution and the Lease the “Project” shall include any facilities being financed by the Additional Bonds and that the Bond shall mean and include the Additional Bond being issued as well as any Bond and Additional Bond theretofore issued, and further providing for an increase in the Base Rentals to be paid by the Town under the Lease in such amount as shall be necessary to pay, assuming that no Event of Default or Event of Nonappropriation shall occur, the principal of, premium, if any, and interest, if any, on the Bond and the Additional Bonds being issued and any Additional Bonds theretofore issued, and to extend the Lease Term if the maturity of any of the Additional Bonds would otherwise occur after the expiration of the then current Lease Term. The date or dates of the Additional Bonds, the rate or rates of interest on the Additional Bonds, and the redemption provisions (if any) with respect thereto all shall be as provided in the supplemental resolution rather than as provided in this Master Resolution, and may differ from the provisions with respect to the Bond set forth in this Master Resolution, except that interest, if any, on such Additional Bonds shall be payable on January 15 of each year during the term thereof and principal of the Additional Bond shall, in each year in which principal falls due, be payable on January 15;

(c) A written opinion of nationally recognized bond counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized, all conditions precedent to the delivery thereof have been fulfilled;

(d) A date-down endorsement to the ALTA mortgagee title insurance policy issued in connection with the issuance of the Bonds, which endorsement shall insure to the date of

issuance of such Additional Bonds and the recording of any supplement to the Security Documents the continuing validity of the lien thereof, as modified by any supplement to the Security Documents, as a first and prior lien on the premises thereby secured, subject only to Permitted Encumbrances, and which endorsement shall increase the amount of title insurance coverage thereunder to an amount at least equal to the principal amount of the Additional Bonds plus the amount of coverage originally provided in such policy and naming the Authority and the registered owner of the Bond as an insured or, in the alternative, such policy shall be delivered prior to any disbursements being made for such portion of the Project for which a policy cannot be delivered at closing;

(e) A copy, duly certified by the Secretary of the Town, of the resolution adopted and approved by the governing body of the Town approving the issuance of such Additional Bonds and the terms thereof;

(f) If such series of Additional Bonds is being issued in whole or in part for construction purposes, (i) a copy, duly certified by the Secretary of the Authority, of the project contract and architect's agreement with respect to such construction and the performance and payment bond covering such project contract, or a requirement to deliver the same prior to disbursements being made with respect to such portion of the Project, and (ii) a certificate of the architect or engineer responsible for planning and designing any such construction which sets forth the estimated useful life of the project, as so improved and extended, in compliance with Section 17D-2-302 of the Utah Local Building Authority Act;

(g) A written opinion of counsel to the Town as to the legal, valid and binding nature of the amendment to the Lease as against the Town and such other matters as may be reasonably required by the purchasers of such Additional Bonds;

(h) A written opinion of counsel to the Authority as to the legal, valid and binding nature of the amendment to the Lease, and the supplement to this Master Resolution and the Security Documents as against the Authority and such other matters as may be reasonably required by the purchasers of such Additional Bonds;

(i) A certificate of the Authority, stating that as of the date of such delivery no event of condition has happened or exists and is continuing, or is happening or existing, which constitutes, or which, with notice or lapse of time or both, would constitute, an Event of Default under this Master Resolution, the Security Documents or the Lease and there has not occurred and is then continuing an Event of Nonappropriation;

(j) If the State Bank is the present owner of the Series 2024 Bonds, the written approval of the State Bank for the Authority to issue the Additional Bonds; and

(k) Such other agreements, certificates, documents and opinion as are required to be delivered to the purchasers of such Additional Bonds, each in form and substance satisfactory to the Authority and, as to opinions, addressed to the Authority if the Authority



so directs.

Each series of Additional Bonds issued pursuant to this Master Resolution shall be equally and ratably secured under this Master Resolution and the Security Documents with the Series 2024 Bond and all other series of Additional Bonds, if any, theretofore issued pursuant to this Master Resolution, without preference, priority or distinction of any Bond over any other thereof.

ARTICLE V

REDEMPTION OF BOND BEFORE MATURITY

Section 5.1. Redemption Dates and Prices.

(a) The Series 2024 Bonds are subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Authority in inverse order of the due date of the principal installments thereof, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid, plus accrued interest, if any, to the date of prepayment or redemption.

(b) The Series 2024 Bonds are also subject to prepayment and redemption in whole on any date, if (i) the Project or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Project shall become apparent, or title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds (as defined in the Lease) of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences shall be insufficient to pay in full the cost of repairing and replacing the Project, and (iii) the Town elects to discharge its obligation to repair and replace the Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the Town with respect to the Project under the Lease shall terminate and the Town shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Project thereunder, and possession of the Project shall be surrendered to the Authority for the Bondholders. All right, title and interest of the Town and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of principal of the Bond not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Bond at the earliest date practicable. Thereafter, the Security Documents may be foreclosed and the Project liquidated and the Net Proceeds of such liquidation and of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of principal of the Bond not then deemed Outstanding), shall be applied to the prepayment or redemption of the Bond as the Authority may determine at the earliest date practicable. Such prepayment or redemption of the Bond shall be made upon payment of the principal amount of the Bond then Outstanding plus accrued interest, if any, thereon, all in accordance with the Master Resolution. IN THE EVENT THE BONDS ARE TO BE PREPAID SUBSEQUENT TO THE OCCURRENCE OF AN EVENT DESCRIBED IN THIS PARAGRAPH

BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST, IF ANY, TO THE PREPAYMENT DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE HOLDERS OF THE BOND AGAINST THE AUTHORITY OR THE TOWN.

If called for prepayment at any time pursuant to the provisions above, the Series 2024 Bonds shall be subject to prepayment by the Authority in whole or in part except that in the event that the amount available to prepay such Bonds under paragraph (i) above, following a liquidation of all of the Project, is less than the amount required to pay the principal of and interest on the Bonds to the prepayment date, the Bonds shall be redeemed in whole and the amount available therefor applied as provided in Section 11.8(b) hereof. Except as otherwise provided above, in the event that the Bonds are prepaid, such prepayment will be made at a price (expressed as a percentage of principal amount) of 100% plus accrued interest on delinquent payments to the prepayment date.

Section 5.2. Notice of Redemption.

In the event any of the Bonds are to be redeemed, the Registrar shall mail notice of such redemption by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption.

Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2024 Bonds receives the notice. Receipt of such notice, shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such registered owners shall not affect the validity of the proceedings for the redemption of the Series 2024 Bonds.

Section 5.3. Redemption Payments. Except as otherwise provided in Section 2.2 hereof, no payment shall be made by the Authority upon any Bond or portion thereof called for prepayment or redemption until such Bond or portion thereof shall have been delivered for payment or cancellation or the Authority shall have received the items required by Section 4.3 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

Section 5.4. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled and cremated or otherwise destroyed by the Authority in accordance with Section 4.5 hereof.

ARTICLE VI

GENERAL COVENANTS

Section 6.1. Payment of Principal and Premium and Interest. The Authority covenants that it will promptly pay the principal of and premium, if any, and interest on every Bond issued under this Master Resolution at the place, on the dates and in the manner provided herein and in the

respective Bond according to the true intent and meaning thereof, but solely from the Base Rentals and, if paid by the Town under the Lease, the Purchase Option Price with respect to the Project, the purchase option price and other amounts pledged therefor which are from time to time held by the Authority in the Bond Fund. The principal and premium, if any, and interest on the Bond are payable solely from the Base Rentals and, if paid by the Town, the Purchase Option Price with respect to the Project, and other amounts derived from the leasing of the Project and otherwise as provided herein, in the Security Documents, and in the Lease, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein and in Lease specified, and nothing in the Series 2024 Bonds, Note or in this Master Resolution shall be construed as pledging any other funds or assets of the Authority or the Town. The Authority shall in no event be liable for the payment of the principal of and premium, if any, or interest on any of the Series 2024 Bonds or for the performance of any pledge, obligation or agreement undertaken by the Authority except to the extent that the moneys pledged herein, or assets granted herein or in the Security Documents as security, are sufficient therefor.

Section 6.2. Performance of Covenants; the Authority. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Resolution, in the Lease, in the Security Documents, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under its Articles of Incorporation, the Constitution and laws of the State of Utah, including a resolution duly adopted by the Governing Body of the Town, to issue the Series 2024 Bonds and Note authorized hereby and to execute this Master Resolution, to assign the Lease and to pledge the Base Rentals, the Purchase Option Price and other amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bond and the execution and delivery of the Lease and the Security Documents and this Master Resolution has been duly and effectively taken, and that the Series 2024 Bonds and Note in the hands of the Bondholders are and will be valid and enforceable special, limited obligations of the Authority according to the terms thereof and hereof.

Section 6.3. Ownership; Instruments of Further Assurance. The Authority covenants that it will own the Project and any property becoming a part of the Project shall be acquired and kept free of all liens and encumbrances, except Permitted Encumbrances. The Authority will defend the title to and interest in the Project and each part thereof, for the benefit of the Bondholders against the claims and demands of all persons whomsoever, except for claims and demands arising from Permitted Encumbrances as provided in the Lease. To the extent necessary and to the extent it may lawfully do so, the Town will join with the Authority in any action taken by the Authority pursuant to the provisions of the preceding sentence. The Authority will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such resolutions supplemental hereto and such further acts, instruments and transfers as reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming all and singular the Project, the Base Rentals, Purchase Option Price and other amounts pledged hereby to the payment of the principal of and premium, if any, and interest on the Series 2024 Bonds and Note. The Authority, except as herein and in the Lease provided, will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the Base Rentals, the Additional Rentals, Purchase Option Price,

revenues and receipts therefrom or its rights under the Lease, together with any additions thereto and substitutions therefor, subject to Permitted Encumbrances.

Section 6.4. Perfection of Security Interest.

(a) This Master Agreement creates a valid and binding pledge and assignment of and security interest in all of the personal property pledged as part of the Project, Base Rental and Additional Rentals under this Master Agreement as security for payment of the Series 2024 Bonds and Note, enforceable by the Bondholder in accordance with the terms thereof.

(b) Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall be prior to any judicial lien hereafter imposed on the personal property pledged as part of the Project to enforce a judgment against the Authority on a simple contract.

Section 6.5. Inspection of Project Books. All books and records of the Authority wherever located relating to the Project and the Base Rentals, the Additional Rentals, Purchase Option Price and other amounts derived from the Project shall at all reasonable times be open to inspection by such accountants or other agents as the Bondholders may from time to time designate.

Section 6.6. List of Bondholders. The Authority shall keep a list of names and addresses of the Bondholders of all Series 2024 Bonds and Note as from time to time registered on the registration books of the Authority maintained by the Bond Registrar, together with the principal amount and numbers of such Bonds and Note. At reasonable times and under reasonable regulations, said list may be inspected and copied by the Town or by Bondholders (or a designated representative thereof) of 15% or more in aggregate principal amount of the Series 2024 Bonds and Note then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Authority.

Section 6.7. Rights Under Lease and the Security Documents. The Lease and the Security Documents set forth the covenants and obligations of the Authority and the Town. Reference is hereby made to the same for a detailed statement of said covenants and obligations of the Authority and the Town thereunder, and the Authority may enforce all rights of the Authority and all obligations of the Town under and pursuant to the Lease and the Security Documents for and on behalf of the Bondholders, whether or not the Authority is in default hereunder.

Section 6.8. Designation of the Secretary as Bond Registrar and Treasurer as Paying Agent and Designation of Any Additional Paying Agents. The Secretary is hereby designated and agrees to act as Registrar and the Treasurer is designated and agrees to act as Paying Agent for and in respect to the Series 2024 Bonds and Note. The Authority may appoint additional paying agents from time to time by giving notice of such appointments to the Bondholders. The Authority hereby covenants and agrees to cause the necessary arrangements to be made for the making available of funds hereunder for the payment of such of the Series 2024 Bonds and Note as shall be presented when due at the principal office of the Paying Agent.

Section 6.9. Filing of Records. So long as any Series 2024 Bonds and Note remain outstanding, proper books of record and account will be kept by the Authority separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Project. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the Project and all properties constituting the Project. Except as otherwise provided herein, the Authority further agrees that it will within one hundred eighty (180) days following the close of each fiscal year (the term “fiscal year” as used in this subsection meaning whatever twelve-month period the Authority may from time to time be using for general financial accounting purposes) cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Project, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the State Bank is the registered owner of the Bond, each such audit will be supplied to the State Bank as soon as completed without prior request therefor by the State Bank. Each such audit, in addition to whatever matter may be thought proper by the accountant to be included therein, shall include the following:

- (a) A statement in detail of the income and expenditures of the Project for such fiscal year;
- (b) A balance sheet as of the end of such fiscal year;
- (c) The accountant’s comments regarding the manner in which the Authority has carried out the requirements of this Master Resolution, and the accountant’s recommendations for any change or improvement;
- (d) A list of the insurance policies in force at the end of the fiscal year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and
- (e) An analysis of all funds and accounts created in this Master Resolution, setting out all deposits and disbursements made during the fiscal year and the amount in each fund or account at the end of the fiscal year.

The State Bank may, upon written request from the Authority setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular fiscal year set forth in this Section 6.9.

ARTICLE VII

REVENUES AND FUNDS

Section 7.1. Source of Payment of Bond and Note. The Series 2024 Bonds and Note herein authorized and all payments by the Authority hereunder are not general obligations of the Authority

but are special, limited obligations payable solely from the Base Rentals and the Purchase Option Price and other amounts derived from the Project under the Lease and as provided herein.

The Project has been leased under the Lease and the Base Rentals and the Purchase Option Price provided in Sections 6.2 and 12.1, respectively, of the Lease are to be remitted directly to the Authority and deposited in the Bond Fund along with all other moneys authorized or required to be deposited in the Bond Fund under the Lease. Such Base Rentals and Purchase Option Price are hereby pledged to such payment.

Section 7.2. Creation of Bond Fund. There is hereby created and held by the Authority and ordered established a fund to be designated “Local Building Authority of Virgin Town, Washington County, Utah Series 2024 Bond Fund”, which shall be used to pay the principal of and premium, if any, and interest on the Series 2024 Bonds and Note.

Section 7.3. Payments into Bond Fund. There shall be deposited into the Bond Fund all accrued interest received, if any, at the time of the issuance, sale and delivery of the Series 2024 Bonds and Note. In addition, there shall be deposited into the Bond Fund, as and when received, (i) any amount in the Escrow Account directed to be paid into the Bond Fund pursuant to Section 7.3 of the Lease; (ii) any Net Proceeds of any insurance policy, performance bond or condemnation award to be deposited in the Bond Fund pursuant to Sections 10.2 and 10.3 of the Lease; (iii) all Base Rentals, and, if paid by the Town, the Purchase Option Price with respect to the Project specified in Sections 6.2 and 12.1 of the Lease; and (iv) all other moneys received by the Authority under and pursuant to any of the provisions of the Lease which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund. The Authority hereby covenants and agrees that so long as any of the Series 2024 Bonds and Note issued hereunder are Outstanding, it will deposit in the Bond Fund for its account, any moneys which are pledged under this Master Resolution for the payment of the principal of and premium, if any, and interest on the Series 2024 Bonds and Note and which are required to be deposited into the Bond Fund.

The Authority covenants and agrees that should there be an Event of Default or an Event of Nonappropriation under the Lease with the result that the right of possession of the Project is returned to the Authority, the Authority shall fully cooperate with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and, if requested by any Bondholder, shall use its best efforts to secure a purchaser or another lessee of the Project so that at all times sufficient rents and other amounts will be derived from the Project promptly to meet and pay the principal of and premium, if any, and interest on the Series 2024 Bonds and Note as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the Project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project promptly to meet and pay the principal of and premium, if any, and interest on the Series 2024 Bonds and Note as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project.

Section 7.4. Use of Moneys in Bond Fund. Except as provided herein, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Bonds and Note including mandatory sinking fund payments, if any, of principal of the Bonds and Note, and for the redemption of the Bonds and Note prior to maturity, and the Bond Fund shall be depleted for such purposes at least annually. The Authority shall maintain sub-accounts within the Bond fund with respect to each series of Bonds and Note in order to properly utilize all moneys deposited therein for their intended purposes, it being the intent hereof that, except as otherwise provided herein, all Bonds and Note authorized hereunder will be equally secured by an equal lien pledge of moneys deposited in the Bond Fund.

Section 7.5. Custody of Bond Fund. The Bond Fund shall be in the custody of the Authority, and the Authority shall withdraw sufficient funds from the Bond Fund to pay the principal of and premium, if any, and interest on the Bonds and Note as the same become due and payable, and to utilize the moneys in the Bond Fund as provided in Section 7.4 hereof.

Section 7.6. Deposit of Series 2024 Bonds and Note Proceeds; Disbursements. The proceeds from the sale of the Series 2024 Bonds and Note shall be deposited at the time of delivery in the Escrow Account to be administered by the Escrow Agent as provided in the Escrow Agreement. All monies deposited in the Escrow Account shall be used solely for the purpose of defraying all or a portion of the costs of the Project including the payment of costs of issuance of the Series 2024 Bonds and Note. Any unexpended balance from proceeds of the Series 2024 Bonds and Note remaining in the Escrow Account after completion of the Project shall be deposited in the Bond Fund and used to redeem the Series 2024 Bonds and Note pursuant to Section 5.1(a). Proceeds from the sale of the Series 2024 Bonds and Note on deposit in the Escrow Account may be invested as provided in the Escrow Agreement. Following the transfer of unexpended funds from the Escrow Account, the Escrow Account will be closed.

Section 7.7. Nonpresentment of Bond. In the event that any Series 2024 Bonds and Note shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for prepayment or redemption thereof, or otherwise, if funds sufficient to pay any such Bond are on deposit with the Authority for the benefit of the Bondholder or Bondholders thereof, all liability of the Authority to the Bondholder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Bondholder of such Bond who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on its part under this Master Resolution, the Security Documents or on, or with respect to, such Bond.

Section 7.8. Repayment to the Town from Bond Fund. Any amounts remaining in the Bond Fund after payment in full of the principal of and premium, if any, and interest on the Series 2024 Bonds and Note and all other amounts required to be paid immediately to the Town as an overpayment of Base Rentals.

Section 7.9. Custody of Separate Trust Fund. The Authority shall hold all Net Proceeds

from any insurance policies, performance bond or condemnation awards and disburse such proceeds in accordance with Article X of the Lease. If the Town directs that the Net Proceeds be applied to redeem the Series 2024 Bonds and Note pursuant to Section 10.3 of the Lease, the Authority covenants and agrees to transfer such funds to the Bond Fund and to redeem the Series 2024 Bonds and Note as provided in Section 5.1 herein.

ARTICLE VIII

INVESTMENT OF MONEYS

Section 8.1. Authority to Invest Funds. Any moneys held as part of the Bond Fund or any other fund shall be invested and reinvested by the Authority in Investment Obligations in accordance with the provisions hereof and Section 7.5 of the Lease. The Authority shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in the Bond Fund is insufficient to pay the principal of and premium, if any, and interest on the Series 2024 Bonds and Note when due.

Section 8.2. Method of Valuation and Frequency of Valuation. In computing the amount in any Fund or account, Investment Obligations shall be valued at the market value of such Obligations, exclusive of accrued interest. All funds and accounts are to be marked to market valuation conducted on an annual basis by the Authority.

ARTICLE IX

RIGHTS OF THE TOWN

Section 9.1. Subordination of Rights to Town. This Master Resolution and the rights and privileges hereunder of the holders of the Series 2024 Bond are specifically made subject and subordinate to the rights and privileges of the Town set forth in the Lease to exercise its option to purchase the Project in the event of, and subsequent to, the occurrence of an Event of Default, but prior to the liquidation of the Project; provided, however, that as a condition of the exercise of such option, the Town must pay, in addition to the Purchase Option Price, any interest payment deficiencies accruing from the date of the Event of Default or Event of Nonappropriation. The Authority agrees that it shall execute and deliver any instrument necessary or appropriate at any time to confirm, evidence or enable the Town to enjoy such rights and privileges, including without limitation, those referred to in Section 9.2 hereof.

Section 9.2. Granting of Rights in and to the Project. Reference is made to the provisions of the Lease, including without limitation Section 11.6 of the Lease, whereby the Authority and the Town have reserved the right to grant rights in and to certain portions of the Project upon compliance with the terms and conditions of the Lease.

Section 9.3. Release of Equipment Forming a Part of the Project. Reference is made to the provisions of the Lease, whereby the Town may withdraw certain items of equipment forming a part



of the Project upon substitution of other property of comparable or greater value, or upon deposit of sale proceeds in the Bond Fund, in conformity with the terms and conditions of the Lease.

ARTICLE X

DISCHARGE OF LIEN

If the Authority shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made to or for the Bondholders, the principal of and premium, if any, and interest due or to become due on the Series 2024 Bonds and Note at the times and in the manner stipulated therein, and if the Authority shall not then be in default in any of the other covenants and promises in the Series 2024 Bonds and Note and the Security Documents and in this Master Resolution expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Authority shall cancel and discharge the lien of this Master Resolution, and release, assign and deliver unto the Town any and all estate, right, title and interest in and to any and all rights or otherwise subject to the lien of this Master Resolution, including amounts in the Bond Fund required to be paid to the Town under Section 7.8 of this Master Resolution and all rights granted under the Security documents, except moneys or securities held by the Authority for the payment of the principal of and premium, if any, and interest on the Series 2024 Bonds and Note.

Any Series 2024 Bonds and Note shall be deemed to be paid within the meaning of this Article and for all purposes of this Master Resolution when payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Master Resolution, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) the Authority shall have irrevocably set aside in trust exclusively for such payment, (1) moneys sufficient to make such payment, and/or (2) noncallable Government Obligations maturing as to principal and interest in such amount and at such times as will ensure, without reinvestment, the availability of sufficient moneys to make such payment. At such time as a Series 2024 Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Master Resolution or the Security Documents, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bond as aforesaid until: (a) proper notice of redemption of such Bond shall have been previously given in accordance with Article V of this Master Resolution, or in the event said Bond are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Authority shall have given notice to the Bondholders of the Bond, in accordance with Article V hereof, that the deposit required by (ii) above has been made with the Authority and that said Bond are deemed to have been paid in accordance with this Article X, and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bond and to call for redemption pursuant to this Master Resolution any Bond to be redeemed prior to maturity; or (b) the maturity

of such Bond.

All moneys so deposited with the Authority as provided in this Article X may at the direction of the Authority also be invested and reinvested in Government Obligations, maturing in the amounts and at times as hereinbefore set forth, and all income from all Government obligations in the hands of the Authority pursuant to this Article X which is not required for the payment of the Series 2024 Bonds and Note and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

Notwithstanding any provision of any other Article of this Master Resolution which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article X for the payment of Bond (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bond (including interest and premium thereof, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

ARTICLE XI

DEFAULT PROVISIONS AND REMEDIES

Section 11.1. Events of Default. If any of the following events occur, it is hereby declared to constitute an “Event of Default” under this Master Resolution:

- (a) Failure to pay when due interest on the Series 2024 Bonds and Note;
- (b) Failure to pay when due the principal of, or premium, if any, on any Series 2024 Bonds and Note, whether at the state maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Failure to perform or observe any other of the covenants, agreements or conditions on the part of the Authority in this Master Resolution or in the Series 2024 Bonds and Note contained and failure to remedy the same after notice thereof pursuant to Section 11.13 hereof;
- (d) The occurrence of an Event of Default under the terms of any of the Bond Documents on the part of either the Authority or the Town;
- (e) The Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder;
- (f) The Authority (1) is adjudged insolvent by a court of competent jurisdiction, (2) admits in writing its inability to pay its debts generally as they become due, (3) files a petition in bankruptcy, (4) makes an assignment for the benefit of creditors, or (5) consents

to the appointment of a receiver of itself or property with respect to the Project;

(g) An order, judgment or decree shall be entered by any court of competent jurisdiction appointing, without the consent of the Authority, a receiver of the Authority or of the property with respect to the Project, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of such appointment;

(h) A court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Authority under the provisions of any bankruptcy act and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry of such order, judgment or decree;

(i) Under the provisions of any other law now or hereafter existing for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the property with respect to the Project or any part thereof, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control, or

(j) Subject to the limitations contained in the Lease, the Authority shall unreasonably delay or fail to carry on with reasonable dispatch any substantial part of the Project.

Section 11.2. Acceleration, Limitation on Remedies. Upon the occurrence of an Event of Default, the Bondholders of not less than 25% in aggregate principal amount of the Bond Outstanding may, by notice in writing deliver to the Authority, declare the principal of all Bonds and Note then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Upon any sale made either under the power of sale given in this Article XI or given in the Security Documents or under a judgment, order or decree made in any judicial proceedings for the foreclosure or enforcement of this Master Resolution and/or the Security Documents, the principal of all Series 2024 Bonds and Note then Outstanding, if not previous due, shall at once become and be immediately due and payable without declaration or notice by the Bondholders.

Notwithstanding anything to the contrary contained in this Master Declaration, no deficiency judgment upon foreclosure of the lien of this Master Resolution or of the Security Documents against the Project may be entered against the Town or the Authority, and no breach of any provision of the Lease, the Security Documents or the Master Resolution shall impose any general obligation or liability upon or a charge against the Town or the Authority or upon the general credit or taxing powers of the Town. Additionally, no judgment requiring a payment of money may be entered against the Town by reason of an Event or an Event of Nonappropriation under the Lease.

Notwithstanding anything contained herein to the contrary, the rights and privileges of the Bondholders are subject to the right of the Town to purchase the Project as set forth in the Lease,

respectively, and the Bondholders shall make no final sale or other final disposition of any interest in the Project pursuant to any available foreclosure remedy without notifying the Town in writing of the occurrence of an Event of Default, and allowing the Town ninety (90) days from the mailing of such notice to exercise their respective options to purchase the Project.

Section 11.3. Surrender of Possession of Project; Rights and Duties of Authority in Possession. Upon the occurrence of an Event of Default under this Master Resolution, the Authority, upon demand of the Bondholders, shall forthwith surrender, and it shall be lawful for the Bondholders, by such officer or agent as they may appoint, to take possession of all or any part of the Project together with the books, papers and accounts of the Authority pertaining thereto, and including the rights and the possession of the Authority with respect to the Project under the Lease, and to make all needful repairs and improvements as the Bondholders shall deem wise. Upon the occurrence of an Event of Default, the Bondholders may execute a written notice of default and an election to cause the Project or any portion thereof to be sold to satisfy the obligations of the authority under this Master Resolution in accordance with the provisions of the Security Documents and/or may cause a sale of personal property as provided by law. The Bondholders may also lease or otherwise dispose of the Project in the name and for the account of the Authority and in such manner as the Bondholders, in their sole discretion, may elect. In connection with any such sale or leasing of the Project, the Bondholders may collect, receive and sequester the rental payments, revenues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver pay, or set up the proper reserve for the payment of, all proper costs and expenses of so taking, holding, leasing, selling and managing the same, including reasonable compensation to the Bondholders, its agents and counsel, and any charges of the Bondholders hereunder, and any taxes and assessments and other charges prior to the lien of this Master Resolution and the Security Documents which the Bondholders may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of Section 11.8 hereof. Whenever all that is due upon the Series 2024 Bonds and Note shall have been paid and all defaults made, cured or waived, the Bondholders shall surrender whatever possession the Bondholders shall retain to the Authority; the same right of entry, however, to exist upon any subsequent Event of Default.

While in possession of such property the Bondholders shall render annually to the Authority and the Town, at their addresses set forth in the registration book required by Section 6.6 hereof, a summarized statement of income and expenditures in connection therewith.

While any Series 2024 Bonds and Note are Outstanding, the Authority shall not exercise any of the remedies on default specified in Section 14.2 of the Lease without the prior written consent of the Bondholders.

Section 11.4. Other Remedies; Rights of Bondholders. Except as otherwise limited by the provisions of this Master Resolution upon the occurrence of an Event of Default under this Master Resolution, the Bondholders may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of and premium, if any, and interest on the Series 2024 Bonds and Note then Outstanding.

No remedy by the terms of this Master Resolution conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default under this Master Resolution shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein; and such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 11.5. Right of Bondholders to Direct Proceedings. The Bondholders of a majority in aggregate principal amount of the Series 2024 Bonds and Note then Outstanding shall have the right at any time to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Resolution.

Section 11.6. Appointment of Receivers. Upon the occurrence of an Event of Default under this Master Resolution, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Master Resolution, the Bondholders of a majority in aggregate principal amount of the Series 2024 Bonds and Note then Outstanding shall be entitled to the appointment of a receiver or receivers of the Project and of the rents, revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 11.7. Waiver. Upon the occurrence of an Event of Default under this Master Resolution, to the extent that such rights may then lawfully be waived, neither the authority, nor anyone claiming through or under it, shall set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws nor or hereafter in force, in order to prevent or hinder the enforcement of this Master Resolution, and the Authority, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 11.8. Application of Moneys. All moneys received on behalf of the Bondholders pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made, be deposited in the Bond Fund and all moneys in the Bond Fund shall be applied as follows:

- (a) Unless the principal of all the Series 2024 Bonds and Note shall have become

or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Series 2024 Bonds and Note, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Series 2024 Bonds and Note which shall become due (other than Bond matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Master Resolution), in the order of their due dates, with interest on such Bond from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Series 2024 Bonds and Note due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and premium, if any, and interest on the Series 2024 Bonds and Note which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full the Series 2024 Bonds and Note due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Series 2024 Bonds and Note shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Series 2024 Bonds and Note, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Series 2024 Bonds and Note over any other Series 2024 Bonds and Note, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege, plus, if available, with interest on overdue installments of interest or principal at the same rate as the rate of the respective Bond or Bonds and Note which are past due.

(c) If the principal of all the Series 2024 Bonds and Note shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article XI then, subject to the provisions of Section 11.8(b) of this Master Resolution in the event that the principal of all the Series 2024 Bonds and Note

shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 11.8(a) of this Master Resolution.

Whenever moneys are to be applied pursuant to the provisions of this Section 11.8, such moneys shall be applied at such times, and from time to time, as any duly appointed receiver shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Setting aside such moneys in trust for the proper purpose shall constitute proper application by such receiver, and such receiver shall have no liability whatsoever to the Bondholders or to any other person for any delay in applying any such moneys, so long as the receiver acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with the circumstances known at the time of the application by the receiver. Whenever the Authority or a receiver shall apply such funds, it shall fix the date (which shall be a Principal Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Authority shall not be required to make payment on any Series 2024 Bond until such Bond shall be presented for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of and premium, if any, and interest on all the Series 2024 Bonds and Note has been paid under the provisions of this Section 11.8 and all expenses and charges of the Authority have been paid any balance remaining in the Bond Fund shall be paid to the Town as provided in Section 7.8 of this Master Resolution as overpayment of Base Rentals.

Section 11.9. Remedies Vested. All rights of action under this Master Resolution or under any of the Series 2024 Bonds and Note may be enforced by or on behalf of the Bondholders without the possession of any of the Series 2024 Bonds and Note or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted for or by the Bondholders shall be brought for the equal and ratable benefit of the Bondholders of the Outstanding Bond.

Section 11.10. Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Master Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless such default shall have become an Event of Default under this Master Resolution; it being understood and intended that no one or more Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Resolution by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Bondholders of all Series 2024 Bonds and Note then Outstanding. However, nothing contained in this Master Resolution shall affect or impair the right of any Bondholder to enforce the payment of the principal of and premium, if any, and interest on any Series 2024 Bonds and Note at and after the maturity thereof, or the obligation of the Authority to pay the Series 2024 Bonds and Note issued hereunder to the respective Bondholders thereof at the time, place, from the source and in the manner in the Series 2024 Bonds and Note

expressed.

Section 11.11. Termination of Proceedings. In case the Bondholders shall have proceeded to enforce any right under this Master Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder respectively, and all rights, remedies and powers of the Bondholders shall continue as if no proceedings had been taken.

Section 11.12. Waivers of Events of Default. The Bondholders may waive any Event of Default under this Master Resolution and its consequences and rescind any declaration of maturity of principal; provided, however, that there shall not be waived (1) any Event of Default under this Master Resolution in the payment of the principal of any Outstanding Bond at the date of maturity specified therein, or (2) any Event of Default in the payment when due of the interest on any such Bond unless prior to such waiver or rescission, all arrears of interests, on overdue installments of interest or all arrears of payments of principal when due, as the case may be, both with interest at the same rate as the rate of the respective Bond or Bonds and Note which are past due, and all expenses of the Bondholders, in connection with such Event of Default shall have been paid or provided for, and in cases of any such waiver or rescission, or in case any proceeding taken by Bondholders on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 11.13. Notice of Event of Default under Section 11.1(c); Opportunity of the Authority and the Town to Cure Such Events of Default. Anything herein to the contrary notwithstanding, no default under Section 11.1(c) hereof shall constitute an Event of Default under this Master Resolution until actual notice of such default by registered or certified mail shall be given to the Authority and the Town by the Bondholders of not less than 25% in aggregate principal amount of all Bond Outstanding, and the Authority and the Town shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, that, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default under this Master Resolution if correction action is instituted by the Authority and the Town within the applicable period and diligently pursued, to the satisfaction of the Bondholders until the default is corrected.

With regard to any default concerning which notice is given to the Authority and the Town under the provisions of this Section 11.13, the Authority hereby grants the Town full authority for account of the Authority to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.



ARTICLE XII

SUPPLEMENTAL RESOLUTIONS

Section 12.1. Supplemental Resolutions Not Requiring Consent of Bondholders. The Authority may, without consent of, or notice to, any of the Bondholders enter into a resolution or resolutions supplemental to this Master Resolution which shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Master Resolution;
- (b) To grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders;
- (c) To subject to this Master Resolution additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Master Resolution or any resolution supplemental hereto in such matter as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2024 Bonds and Note for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to this Master Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be determined by said laws;
- (e) To evidence the appointment of a separate paying agent or the succession of a paying agent hereunder;
- (f) To issue Refunding Bond or Additional Bond in accordance with this Master Resolution and the Lease; provided, however, that so long as the State Bank is the owner of the Series 2024 Bonds and Note, the Authority must obtain its prior written approval for the issuance of Additional or Refunding Bond; and
- (g) To make any other change that does not materially adversely affect the rights of any Bondholder.

Section 12.2. Supplemental Resolutions Requiring Consent of Bondholders. Exclusive of supplemental resolutions covered by Section 12.1 hereof and subject to the terms and provisions contained in this Section 12.2, and not otherwise, the Bondholders of not less than 51% in aggregate principal amount of the Series 2024 Bonds and Note then Outstanding shall have the right, from time to time, anything contained in this Master Resolution to the contrary notwithstanding, to consent to and approve the execution by the Authority of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Resolution or in any supplemental resolution; provided, however, that

nothing in this Section 12.2 or in Section 12.1 hereof contained shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of, or the interest on any Series 2024 Bonds and Note issued hereunder, or (ii) a reduction in the principal amount of, or redemption premium on, any Series 2024 Bonds and Note or the rate of interest thereon, or (iii) a privilege or priority of any Series 2024 Bonds and Note over any other Series 2024 Bonds and Note, or (iv) a reduction in the aggregate principal amount of the Series 2024 Bonds and Note required for consent to such supplemental resolutions, or (v) the creation of any lien ranking prior to or on a parity with the lien of this Master Resolution, the Lease, and the Security Documents on the Project any part thereof (except in connection with the issuance of Refunding Bond or Additional Bond), or (vi) the deprivation with respect to the Bondholder of any Series 2024 Bonds and Note then Outstanding of the lien hereby created on the Project, without the prior consent of the Bondholders of 100% of the Series 2024 Bonds and Note affected by such action.

If at any time the Authority shall desire to enter into any such supplemental resolution for any of the purposes of this Section 12.2, it shall cause notice of the proposed adoption of such supplemental resolution to be given by registered or certified mail to the Bondholder of each Series 2024 Bond shown by the list of Bondholders required by the terms of Section 6.6 hereof. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the principal office of the Authority for inspection by all Bondholders. If the Bondholders of not less than 51% in aggregate principal amount of the Bond Outstanding at the time of the execution of any such supplemental resolution shall have consented to and approved the execution thereof as herein provided, no holder of any Series 2024 Bonds and Note shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental resolution as in this Article XII permitted and provided, this Master Resolution shall be and be deemed to be modified and amended in accordance therewith.

Anything therein to the contrary notwithstanding, so long as no Event of Default or Event of Nonappropriation with respect to the Project shall have occurred and be continuing under the Lease, a supplemental under this Article shall not become effective unless and until the Town shall have consented to the execution and delivery of such supplemental resolution. In this regard, the Authority shall cause notice of the proposed adoption of any such supplemental resolution together with a copy of the proposed supplemental resolution to be delivered to the Town at least fifteen (15) days prior to the proposed date of adoption of any such supplemental resolution. The Town shall be deemed to have consented to the adoption and delivery of any such supplemental resolution if the Authority does not receive a letter of protest or objection thereto signed by or on behalf of the Town on or before the fifteenth day after the mailing of said notice.

ARTICLE XIII

AMENDMENT OF LEASE

Section 13.1. Amendments, etc. to Lease Not Requiring Consent of Bondholders. The Authority and the Town shall without the consent of or notice to the Bondholders consent to any amendment, change or modification of the Lease as may be required (i) by the provisions of this Master Resolution and the Lease (including those provisions applicable to the issuance of Refunding Bond and Additional Bond), (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) so as to more precisely identify the Project or the Project Site described in Exhibit “A” to the Lease and Exhibit “C” to this Master Resolution or substitute or add additional improvements or equipment to the Project or additional rights or interest in property acquired in accordance with the provisions of the Lease, (iv) in connection with any amendment to this Master Resolution pursuant to Section 12.1 hereof, or (v) in connection with any other change therein which, in the judgment of the Authority, is not to the prejudice of the Bondholders.

Section 13.2. Amendments, etc. to the Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 13.1 hereof, the Authority shall not consent to any other amendment, change or modification of the Lease without mailing of notice and receipt of the written approval or consent of the Bondholders of not less than 51% in aggregate principal amount of the Series 2024 Bond to be affected at the time Outstanding given as in this Section 13.2 provided. If at any time the Authority and the Town shall request the consent of the Bondholders to any such proposed amendment, change or modification of the Lease, the Authority shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 12.2 of this Master Resolution with respect to supplemental resolutions. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the office of the Authority for inspection by all Bondholders. No such amendment, change or modification of the Lease shall reduce the aggregate principal amount of the Series 2024 Bond the Bondholders of which are required to consent to any amendment, change or modification of such Lease, or reduce or postpone payments required to be made under the Lease without the consent of all of the Bondholders of the Bond Outstanding. Approval or consent shall be evidenced in a manner acceptable to the Authority.

ARTICLE XIV

MISCELLANEOUS

Section 14.1. Consents, etc. of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Master Resolution to be signed and executed by the Bondholders may be in any number on concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the Series 2024 Bonds and Note, if made in the following manner,

shall be sufficient for any of the purposes of this Master Resolution, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of the Series 2024 Bonds and Note and the amount or amounts, numbers and other identification of such Bond, and the date of holding the same, shall be proved by the registration books of the Authority pursuant to Section 4.4 of this Master Resolution.

Section 14.2. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Resolution, the Security Documents or the Series 2024 Bonds and Note is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Series 2024 Bonds and Note, any legal or equitable right, remedy or claim under or with respect to this Master Resolution or any covenants, conditions and provisions herein contained; this Master Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

Section 14.3. Severability. If any provision of this Master Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 14.4. Notices. Any notices, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram addressed as follows: If to the Authority, to the Local Building Authority of Virgin Town, P.O. Box 790008, Virgin, Utah 84779, Attention: President; if to the Bondholders, to their addresses as shown on the registration list; if to the Town, to P.O. Box 790008, Virgin, Utah 84779, Attention: Chair. If to State Bank, State Bank of Southern Utah, \_\_\_\_\_, Cedar City, Utah 84720, Attention: \_\_\_\_\_. A duplicate copy of each notice required to be given hereunder to either the Authority or the Town shall also be given to the others. The Authority, the Town and the Bondholders may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14.5. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bond or the date fixed for redemption of any Bond shall be in the State of Utah a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of principal and premium, if any, or interest need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest

shall accrue for the period after such date.

Section 14.6. Bank Deductibility. Pursuant to Section 265 of the Code, the Authority on behalf of the Town hereby designates the Series 2024 Bond as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest to the extent permitted by law. The Authority reasonably anticipates that the total amount of tax-exempt obligations [other than private activity bonds, as defined in Section 141 of the Code (a qualified 501(c)(3) bond, as defined in Section 145 of the Code, any bond issued to refund certain obligations issued before August 8, 1986 as described in Section 265(b)(3)(B)(ii)(II) of the Code, and any obligation to which Section 141(a) of the Code does not apply by reason of Sections 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986 and which is described in Section 265(b)(3)(C)(ii)(II) of the Code not being treated as a private activity bond for this purpose)] which will be issued by the Authority or the Town and by an aggregated issuer during the current calendar year will not exceed \$10,000,000. For purposes of this Section 14.6, “aggregated issuer” means any entity which (i) issues obligations on behalf of the Town, (ii) derives its issuing authority from the Town, or (iii) is subject to substantial control by the Town. The authority hereby represents that (a) it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code, and (b) the total amount of obligations issued by the Authority and aggregated issuers for the current calendar year does not exceed \$10,000,000.

Section 14.7. Arbitrage Rebate Exemption for Small Issuer. The Authority hereby certifies for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Series 2024 Bonds and Note (the “Rebate Exemption”) as follows:

- (a) The Series 2024 Bond is issued by the Authority on behalf of the Town which has general taxing powers.
  
- (b) Neither the Series 2024 Bond nor any portion thereof is a private activity bond as defined in Section 141 of the Code (“Private Activity Bond”).
  
- (c) Ninety-five percent (95%) or more of the net proceeds of the Series 2024 Bond are to be used for local government activities of the Authority (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Authority).
  
- (d) Neither the Authority nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt bonds other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during calendar year 2024.

For purposes of this Section 14.7, “aggregated issuer” means any entity which (a) issues obligations on behalf of the Authority or the Town, (b) derives its issuing authority from the

Authority or the Town, or (c) is subject to substantial control by the Authority or the Town.

The Authority hereby represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(IC) of the Code.

Accordingly, the Authority will qualify for the Rebate Exemption granted to small governmental units under Section 148(f)(4)(D) of the Code, and the Authority shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to the Series 2024 Bond.

Section 14.8. Applicable Provisions of Law. This Master Resolution shall be governed by and construed in accordance with the laws of the State of Utah.

Section 14.9. Rules of Interpretation. Unless expressly indicate otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words “herein”, “hereby”, “hereunder”, “hereof”, “hereinabove”, “hereinafter” and other equivalent words refer to the Master Resolution and not solely to the particular portion in which any such word is used.

Section 14.10. Captions. The captions or headings in this Master Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Master Resolution.

Section 14.11. References to Improvements. The Project contemplated herein related to the initial bonds, the Series 2024 Bonds, issued hereunder, includes the acquisition of real property without the construction of improvements thereon. To the extent certain provisions herein, such as Section 5.1(b) for example, anticipate the construction of improvements, such references shall apply to refunding bonds and additional bonds and not to the Series 2024 Bonds.

ADOPTED as of this \_\_\_\_ day of \_\_\_\_\_, 2024.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

By: \_\_\_\_\_  
President

Attest:

By: \_\_\_\_\_  
Secretary

[SEAL]

EXHIBIT "A"  
 (FORM OF FULLY REGISTERED SERIES 2024 BONDS)  
 UNITED STATES OF AMERICA  
 LOCAL BUILDING AUTHORITY OF VIRGIN TOWN,  
 WASHINGTON COUNTY, UTAH  
 LEASE REVENUE BOND  
 SERIES 2024

THIS BOND HAS BEEN DESIGNATED BY THE AUTHORITY AND THE CITY FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

<u>Principal Sum</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>
\$1,800,000.00	5.50%	*, 2024

The Local Building Authority of Virgin Town, Washington County, Utah, a nonprofit corporation duly organized and existing within the State of Utah under its Articles of Incorporation and the Constitution and laws of the State of Utah (the "Authority"), for value received, promises to pay solely and to the extent available from the sources hereinafter provided, to the registered owner hereof or registered assigns, the Total Principal Sum set forth above, together with interest accruing on the unpaid principal balance from the Original Issue Date, at the rate specified above (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable annually on January 15 of each year, with interest and principal installments beginning January 15, 2025, Principal together with accrued but unpaid interest, shall be payable in registered installments on January 15 of each of the years as set forth in the following Repayment Schedule:

<u>Payment Date</u>	<u>Total Principal Series 2024 Bond</u>	<u>Interest Payment Series 2024 Bond</u>	<u>Total Payment</u>
January 15, 2025	\$140,378.81	\$33,550.00	\$173,928.81
January 15, 2026	\$ 81,381.88	\$92,546.93	\$173,928.81
January 15, 2027	\$ 85,920.05	\$88,008.76	\$173,928.81
January 15, 2028	\$ 90,711.29	\$83,217.53	\$173,928.81
January 15, 2029	\$ 95,555.56	\$78,373.25	\$173,928.81
January 15, 2030	\$101,098.25	\$72,830.56	\$173,928.81
January 15, 2031	\$106,735.88	\$67,192.93	\$173,928.81

January 15, 2032	\$112,687.89	\$61,240.92	\$173,928.81
January 15, 2033	\$118,821.24	\$55,107.57	\$173,928.81
January 15, 2034	\$125,597.74	\$48,331.07	\$173,928.81
January 15, 2035	\$132,601.56	\$41,327.25	\$173,928.81
January 15, 2036	\$139,995.93	\$33,932.88	\$173,928.81
January 15, 2037	\$147,731.07	\$26,197.74	\$173,928.81
January 15, 2038	\$156,040.71	\$17,888.10	\$173,928.81
January 15, 2039	\$164,742.15	\$ 9,186.66	\$173,928.81

As long as State Bank of Southern Utah is the registered holder of this Bond, installment payments of principal and interest shall be made by check or draft mailed to State Bank of Southern Utah as the registered holder at the address shown on the registration books maintained by the Registrar.

This Bond represents an issue of Local Building Authority of Virgin Town, Washington County, Utah Lease Revenue Bond, Series 2024 (the “Series 2024 Bonds”) issued for the purpose of (i) financing the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities for Town purposes (collectively, the “Project”), and (ii) paying necessary expenses incidental thereto. The Project has been leased by the Authority to Virgin Town, Washington County, Utah, a body politic of the State of Utah (the “Town”), under the terms of an annually renewable Lease Agreement dated as of \*, 2024 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the “Lease”). Under the Lease, the Town has agreed to pay annual rental payments to the Authority (the “Base Rentals”) in consideration of its right to use the Project and for the option to purchase granted therein. In addition to the Base Rentals, the Town has agreed to pay certain other payments (the “Additional Rentals”) sufficient to pay administrative costs of the Authority, certain insurance premiums, taxes and other expenses with respect to the Project expressly required under the Lease. Under the Lease, the Town has been granted an option to purchase the Project and terminate its payment obligations with respect to the Project under the Lease at any time upon payment of the Purchase Option Price (as defined in the Lease) which amount shall be sufficient to pay the principal of, premium and interest on the Series 2024 Bonds (as hereinafter defined) as the same shall become due in accordance with their terms and provisions at maturity or at the earliest applicable prepayment of redemption date, under the terms and provisions of the Master Resolution (as hereinafter defined). **THE PURCHASE OPTION PRICE IS PAYABLE SOLELY AT THE OPTION OF THE TOWN AND THE TOWN IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE PROJECT.**

This Series 2024 Bond is issued under and secured by and entitled to the protection of the Master Resolution dated as of \*, 2024, by the Authority (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the “Master Resolution”), duly adopted by the Authority and pursuant to which all Base Rentals payable by the Town under the Lease and, if paid by the Town, the Purchase Option Price, are assigned to secure the payment of principal of, premium, if any, and interest on the Bond. Additionally, the Authority has granted a security interest in the Project to the holder of this Bond, pursuant to a deed of trust, assignment of rents and security agreement, as defined in the Master Resolution (the “Security Documents”), to further



secure its obligations hereunder.

The obligation of the Town to pay Base Rentals and Additional Rentals with respect to the Project is subject to the annual renewal of the Lease and to the right of the Town to terminate its payment obligations with respect to the Project under the Lease in the event that there shall be a failure to appropriate for the purpose of paying such Base Rentals and Additional Rentals. In the event that the Town’s payment obligations under the Lease shall be terminated by reason of a failure to appropriate (referred to herein as an “Event of Nonappropriation”) or by reason of an Event of Default (as defined in the Lease) the principal amount of this Bond and interest hereon will be payable from such moneys, if any, as may be available under the Master Resolution for such purpose, including any moneys received from a liquidation or other disposition of the Project including a foreclosure of the lien of the Security Documents. Under certain circumstances, this Bond and the interest hereon may also be payable from the proceeds of title or casualty insurance policies, performance Bond of contractors for the Project, condemnation awards and liquidation proceeds with respect to the Project.

The Master Resolution provides that the Authority may hereafter issue Refunding Bond (the “Refunding Bond”) or Additional Bond (the “Additional Bond”) from time to time under certain terms and conditions contained therein and in the Lease and, if issued, the Refunding Bond and/or the Additional Bond will ran *pari passu* with this Bond and be equally and ratably secured and entitled to the protection of the Master Resolution and the Security Documents (this Bond, the Refunding Bond and the Additional Bond are referred to herein as the “Bond”). Reference is hereby made to the Lease, the Security Documents and the Master Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Town, the Authority and the holders of the Series 2024 Bonds, the issuance of Refunding Bond or Additional Bond, the terms upon which the Series 2024 Bonds are issued and secured, the terms and conditions upon which the Series 2024 Bonds will be deemed to have been paid, at or prior to maturity or redemption of the Series 2024 Bonds, and the rights of the holders of the Series 2024 Bonds upon the occurrence of an Event of Default or an Event of Nonappropriation.

The Series 2024 Bonds and the interest thereon constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2024 Bonds and the income from the investment thereof, the proceeds of certain funds held by the Authority, the proceeds of certain insurance policies, performance Bond and condemnation awards or the proceeds, if any, from a liquidation or other disposition of the Project subsequent to foreclosure of the lien of the Master Resolution and the Security Documents, the Series 2024 Bonds and the interest thereon are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the Town under the Lease. Payments under the Lease may be made only from Town Funds (as defined in the Lease) which are budgeted and appropriated by the Town for such purpose.

Neither the Lease, the Series 2024 Bonds nor the interest thereon shall constitute or give rise to a general obligation indebtedness of the Town, or a charge against the Town or the general credit or taxing power of the Town. Neither the Town nor the Authority on its behalf, has pledged the

credit of the Town to the payment of the Series 2024 Bonds, the interest thereon or amounts due or to become due under the Lease. The Authority has no taxing power.

THE TOWN IS NOT OBLIGATED TO APPROPRIATE TOWN FUNDS FOR THE PURPOSE OF PAYING BASE RENTALS, ADDITIONAL RENTALS OR THE PURCHASE OPTION PRICE UNDER THE LEASE AND NO JUDGMENT MAY BE ENTERED AGAINST THE TOWN IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2024 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE TOWN'S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE TOWN UNDER THE LEASE WILL TERMINATE AND THE SERIES 2024 BONDS AND THE INTEREST THEREON WILL BE PAYABLE SOLELY FROM AND TO THE EXTENT OF SUCH MONEYS, IF ANY, AS MAY BE HELD BY THE AUTHORITY UNDER THE MASTER RESOLUTION (EXCEPT FOR MONEYS HELD FOR BONDS NOT THEN DEEMED OUTSTANDING) AND ANY MONEYS MADE AVAILABLE FROM A LIQUIDATION OR OTHER DISPOSITION OF THE PROJECT SUBSEQUENT TO FORECLOSURE OF THE LIEN OF THE MASTER RESOLUTION AND THE SECURITY DOCUMENTS. UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE, THERE IS NO GUARANTY OR ASSURANCE OF ANY PAYMENT OF THE SERIES 2024 BONDS OR THE INTEREST THEREON.

No deficiency judgment upon foreclosure may be entered against the Town or the Authority, and no breach of any provision of the Lease, the Security Documents, the Bond or the Master Resolution shall impose any general obligation or liability upon or a charge against the Town or the Authority or the general credit or taxing powers of the Town. No judgment requiring a payment of money may be entered against the Town by reason of an Event of Default or an Event of Nonappropriation under the Lease.

This Series 2024 Bond shall be registered in the name of the Registered Owner and any subsequent purchasers in an appropriate book in the office of the Secretary of the Authority, who shall be the Registrar. This Series 2024 Bond is transferable only by notation upon said book by the Registered Owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Series 2024 Bond, together with a written instrument of transfer satisfactory to the Authority, duly executed by the Registered Owner or his attorney duly authorized in writing; thereupon, this Series 2024 Bond shall be delivered to and registered in the name of the transferee.

The Authority may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Series 2024 Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and the Authority shall not be affected by any notice to the contrary.

This Series 2024 Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Authority in inverse order of

the due date of the principal installments hereof, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid, plus accrued interest to the day of prepayment or redemption.

This Series 2024 Bond is also subject to prepayment and redemption in whole on any date, if (i) the Project or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Project shall become apparent, or title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds (as defined in the Lease) of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences shall be insufficient to pay in full the cost of repairing and replacing the Project, and (iii) the Town elects to discharge its obligation to repair and replace the Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the Town with respect to the Project under the Lease, shall terminate and the Town shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Project thereunder, and possession of the Project shall be surrendered to the Authority for the Bondholders. All right, title and interest of the Town and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of the Series 2024 Bond not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Series 2024 Bonds at the earliest date practicable. Thereafter, the Security Documents may be foreclosed and the Project liquidated and the Net Proceeds of such liquidation and of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of principal of the Series 2024 Bonds not then deemed Outstanding), shall be applied to the prepayment or redemption of this Series 2024 Bonds as the Authority may determine at the earliest date practicable. Such prepayment or redemption of this Series 2024 Bonds then outstanding plus accrued interest thereon, all in accordance with the Master Resolution. IN THE EVENT THIS SERIES 2024 BOND IS TO BE PREPAID SUBSEQUENT TO THE OCCURRENCE OF AN EVENT DESCRIBED IN THIS PARAGRAPH BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST TO THE PREPAYMENT DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE HOLDERS OF THIS SERIES 2024 BONDS AGAINST THE AUTHORITY OR THE TOWN.

If called for prepayment at any time pursuant to the provisions above, this Series 2024 Bond shall be subject to prepayment by the Authority in whole or in part except that in the event that the amount available to prepay this Series 2024 Bond under the immediately preceding paragraph, following a liquidation of all of the Project, is less than the amount required to pay the principal of and interest on this Bond to the prepayment date, this Series 2024 Bond shall be redeemed in whole and the amount available therefor applied as provided in Section 11.8(b) of the Master Resolution. Except as otherwise provided above, in the event that this Bond is prepaid, such prepayment will be made at a price (expressed as a percentage of principal amount) of 100% plus accrued interest to the prepayment date.

In the event this Series 2024 Bond or portions thereof (which shall be \$1,000 or any integral

multiple thereof) are prepaid, notice of redemption shall be mailed by the Authority, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the Registered Owner of this Series 2024 Bond addressed to such owner at its address appearing on the registration books maintained by the Authority. Failure to give such notice or any defect therein or in the mailing thereof shall not affect the effectiveness of the call for the prepayment by the Authority.

This Series 2024 Bond is issued pursuant to and in full compliance with the Articles of Incorporation of the Authority and the Constitution and laws of the State of Utah, including, in particular, the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “Act”), and pursuant to a resolution adopted by the Authority which authorizes the execution and delivery of the Lease, the Master Resolution, the Security Documents and the issuance of the Series 2024 Bond. As required by the Articles of Incorporation of the Authority, the Governing Body has by resolution authorized the Authority to issue this Bond and to execute and deliver the Lease, the Master Resolution, and the Security Documents.

The Registered Owner of this Series 2024 Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Nonappropriation or Event of Default under the Lease or any Event of Default under the Master Resolution or the Security Documents, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Resolution.

The Master Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Authority and the rights of the holders of the Series 2024 Bonds at any time by the Authority with the consent of the Town (if an Event of Nonappropriation or an Event of Default does not then exist under the Lease) and the holders of not less than 51% in aggregate principal amount of the Series 2024 Bonds at the time Outstanding. The Master Resolution also permits waiver of compliance by the Authority with any terms of the Master Resolution with the consent of the Town (if an Event of Nonappropriation or an Event of Default does not then exist under the Lease) and the holders of not less than 51% in aggregate principal amount of the Series 2024 Bonds at the time Outstanding. Any such consent or waiver by the Registered Owner of this Series 2024 Bonds shall be conclusive and binding upon such Owner and upon all future holders of this Series 2024 Bonds and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Series 2024 Bonds. The Master Resolution also contains provisions permitting the Authority to waive certain Events of Default under the Master Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Master Resolution and the issuance of this Series 2024 Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Series 2024 Bond, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory debt limitation.

IN WITNESS WHEREOF, the Authority has caused this Series 2024 Bond to be executed in its name by the facsimile or manual signature of the President of its Governing Board and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of the Secretary of its Governing Board, and said officials do by the execution hereof adopt as and for the respective proper signatures their respective facsimile or manual signatures appearing hereon.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

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

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

**REGISTRATION CERTIFICATE**

(No writing to be placed herein except by the Bond Registrar)

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
*, 2024	State Bank of Southern Utah	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT "B"

DESCRIPTION OF THE PROJECT  
AND THE PROJECT SITE

The Project is described as follows:

Purchase of property for use as a town hall, public safety facility, post office and related facilities for Town purposes.

The Property is described as follows:

Parcel Nos. V-58 and V-29-A-2-A

Property Address: \_\_\_\_\_  
Virgin, UT

LOCAL BUILDING AUTHORITY OF  
VIRGIN TOWN,  
WASHINGTON COUNTY, UTAH

Lessor,

and

VIRGIN TOWN,  
WASHINGTON COUNTY, UTAH

Lessee.

**LEASE AGREEMENT**

Dated as of \*, 2024

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Various interests of the Local Building Authority of Virgin Town, Washington County, Utah in this Lease Agreement have been assigned to secure the payment of the Local Building Authority of Virgin Town, Washington County, Utah Lease Revenue Bonds, Series 2024 under a Master Resolution dated \*, 2024.

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Parties .....	1
Recitals .....	1

ARTICLE I

DEFINITIONS

Section 1.1. Definitions .....	3
--------------------------------	---

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District .....	7
Section 2.2. Representations, Covenants and Warranties of the Authority .....	8

ARTICLE III

DEMISING CLAUSE

Section 3.1. Demise of the Leased Property .....	9
--	---

ARTICLE IV

LEASE TERM

Section 4.1. Commencement of Lease Term .....	10
Section 4.2. Termination of Lease Term .....	10

ARTICLE V

ENJOYMENT OF PROJECT

Section 5.1. Enjoyment of Project .....	11
---	----



ARTICLE VI

PAYMENTS BY THE DISTRICT

Section 6.1. Payments to Constitute a Current Expense of the District . . . . . 11

Section 6.2. Payment of Base Rentals . . . . . 12

Section 6.3. Payment of Additional Rentals with Respect to the Project. . . . . 13

Section 6.4. Manner of Payment. . . . . 14

Section 6.5. Expression of Need for the Project by the District;  
Determination of Purchase Price . . . . . 14

Section 6.6. Nonappropriation . . . . . 14

Section 6.7. Application of Base Rentals, Additional Rentals and Purchase Option Price . . . 15

Section 6.8. Request for Appropriation . . . . . 15

ARTICLE VII

ACQUISITION OF THE PROJECT AND ISSUANCE OF SERIES 2024 BONDS

Section 7.1. Agreement to Acquire Project . . . . . 16

Section 7.2. Agreement to Issue the Series 2024 Bonds;  
Application of Bond Proceeds . . . . . 17

Section 7.3. Establishment of Completion Date;  
Disbursement of Balance of Escrow Account . . . . . 17

Section 7.4. Investment of Bond Fund Moneys . . . . . 17

ARTICLE VIII

TITLE TO THE PROJECT; CONVEYANCE TO THE DISTRICT; SECURITY INTEREST

Section 8.1. Title to the Project. . . . . 18

Section 8.2. Security Interest . . . . . 18

ARTICLE IX

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 9.1. Maintenance of the Project by the District . . . . . 18

Section 9.2. Modification of the Project. . . . . 19

Section 9.3. Taxes, Other Governmental Charges and Utility Charges . . . . . 19

Section 9.4. Provisions Respecting Insurance . . . . . 20

Section 9.5. Public Liability Insurance. . . . . 21

Section 9.6. Worker’s Compensation Coverage. . . . . 21

Section 9.7. Advances. . . . . 21

Section 9.8. Failure to Provide Insurance . . . . . 22

Section 9.9. Evidence and Notice Regarding Insurance . . . . . 22

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION;  
USE OF NET PROCEEDS

Section 10.1. Damage, Destruction and Condemnation . . . . . 22  
Section 10.2. Obligation of the District to Repair and Replace the Project . . . . . 22  
Section 10.3. Discharge of the Obligation of the District to Repair and Replace the Project . . 23  
Section 10.4. Cooperation of the Authority . . . . . 24  
Section 10.5. Condemnation of Property Owned by the District . . . . . 24

ARTICLE XI

DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES;  
OTHER COVENANTS

Section 11.1. Disclaimer of Warranties . . . . . 24  
Section 11.2. Further Assurances and Corrective Instruments . . . . . 24  
Section 11.3. District and Authority Representatives . . . . . 24  
Section 11.4. Requirements of Law . . . . . 25  
Section 11.5. Inspection of the Project . . . . . 25  
Section 11.6. Granting of Easements . . . . . 25  
Section 11.7. Refunding Bonds . . . . . 25  
Section 11.8. Issuance of Additional Bonds . . . . . 26

ARTICLE XII

CONVEYANCE OF THE PROJECT

Section 12.1. Conveyance of the Project . . . . . 26  
Section 12.2. Conveyance on Purchase of Project . . . . . 26  
Section 12.3. Relative Position of Option and Master Resolution . . . . . 27

ARTICLE XIII

ASSIGNMENT, SUBLEASING, INDEMNIFICATION AND SELLING

Section 13.1. The Authority to Grant Security Interest to Bondholder . . . . . 27  
Section 13.2. Assignment and Subleasing by the District . . . . . 27  
Section 13.3. Release and Indemnification Covenants . . . . . 28  
Section 13.4. References to Bonds Ineffective After Bonds Paid . . . . . 28  
Section 13.5. Installation of the Furnishings and Machinery of the District . . . . . 28

Section 13.6. Equipment Purchased with Proceeds of the Bonds ..... 29

ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.1. Events of Default Defined ..... 29  
Section 14.2. Remedies on Default. .... 30  
Section 14.3. Limitations on Remedies ..... 30  
Section 14.4. No Remedy Exclusive. .... 31  
Section 14.5. Agreement to Pay Attorneys’ Fees and Expenses ..... 31  
Section 14.6. No Additional Waiver Implied by One Waiver ..... 31

ARTICLE XV

MISCELLANEOUS

Section 15.1. Lease Term ..... 31  
Section 15.2. Notices ..... 31  
Section 15.3. Binding Effect. .... 32  
Section 15.4. Severability ..... 32  
Section 15.5. Amounts Remaining in Bond Fund; Dissolution ..... 32  
Section 15.6. Amendments, Changes and Modifications ..... 32  
Section 15.7. Execution in Counterparts ..... 33  
Section 15.8. Net Lease ..... 33  
Section 15.9. Applicable Law. .... 33  
Section 15.10. Captions ..... 33  
Section 15.11. No Personal Liability ..... 33  
  
Signatures and Seals ..... 34  
  
Acknowledgments. .... 35

EXHIBIT A -- Description of Project and Project Site

EXHIBIT B -- Lease Payment Schedule

**LEASE AGREEMENT**

THIS LEASE AGREEMENT (the "Lease") dated as of \*, 2024, entered into by and between the LOCAL BUILDING AUTHORITY OF VIRGIN TOWN, WASHINGTON COUNTY, UTAH (the "Authority"), as lessor hereunder, a Utah non-profit corporation duly organized, existing and in good standing under the laws of the State of Utah and also acting as issuer under a Master Resolution dated as of even date herewith (the "Master Resolution"), whose mailing address is P.O. Box 790008, Virgin, Utah (84779), and VIRGIN TOWN, WASHINGTON COUNTY, UTAH (the "District"), as lessee hereunder, a political subdivision and body politic under the laws of the State of Utah, whose mailing address is P.O. Box 790008, Virgin, Utah (84779);

W I T N E S S E T H :

WHEREAS, the District is a political subdivision and politic duly existing under and by virtue of the Constitution and laws of the State of Utah; and

WHEREAS, the District has previously authorized and directed the creation of the Authority pursuant to provisions of a Resolution dated April 24, 2013 (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the Mayor and City Council (the "Governing Body") contained in 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 "Acts"); and

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 Town in accordance with the procedures and subject to the limitations of the Utah Local Building Authority Act in order to accomplish the public purpose for which the Town exists; and

WHEREAS, the Authority is possessed under the Articles of all powers set forth in the Acts, the Constitution and other laws of the State of Utah, including, without limitation, the power to acquire, own, hold, lease and improve real and personal property and to enter into agreements providing for a lease, mortgage or other conveyance of real and personal property; and

WHEREAS, the Authority and the Town desire to finance the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities for Town purposes (the “Project”); and

WHEREAS, the Town desires to lease, as lessee on an annually renewable basis, the Project to be used by the Town in the performance of its public purposes; and

WHEREAS, the Authority desires to lease the Project, as lessor, on an annually renewable basis, to the Town as lessee; and

WHEREAS, the Project is to be leased to the Town, as lessee, on an annually renewable basis, the Project from the Authority and the Authority desires to lease, as lessor, the Project to the Town under the terms and provisions set forth in this Lease; and

WHEREAS, the Governing Board of the Authority and the Governing Body has previously approved the estimated costs of the Project; and

WHEREAS, under the provisions of a resolution dated July 2, 2024 (the “Town Resolution”), the Governing Body has authorized and approved the execution of this Lease and has authorized certain actions to be taken by the Authority in connection with the financing of the Project, including the issuance by the Authority under the Master Resolution of its Lease Revenue Bonds, Series 2024 in the total aggregate principal amount of \$1,800,000 (the “Series 2024 Bonds”); and

WHEREAS, pursuant to the provisions of a resolution dated July 2, 2024, the Governing Board of the Authority has authorized, approved and directed the execution of this Lease, has adopted the Master Resolution, and has authorized, approved and directed certain actions to be taken by the Authority in connection with the financing of the Project, including the issuance of the Series 2024 Bonds; and

WHEREAS, pursuant to and in accordance with the provisions of the Utah Local Building Authority Act and the Articles, the Authority proposes to undertake the financing of the Project and the leasing of the Project to the Town under the terms and provisions of this Lease; and

WHEREAS, the Authority proposes to finance the Project through the issuance of the Series 2024 Bonds; and

WHEREAS, the Series 2024 Bonds will be secured as provided in the Master Resolution including (i) the Security Documents (defined herein) and (ii) a pledge and assignment of this Lease and the revenues and receipts derived by the Authority from the Project, all as more fully set forth in the Master Resolution.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein

contained, the parties hereto agree as follows:

**ARTICLE I**

**DEFINITIONS**

**1.1. Definitions.** All terms defined in Article I of the Master Resolution, unless the context otherwise requires, shall have the same meaning in this Lease. In addition, unless the context otherwise requires, the terms defined in this Article I shall, for all purposes of this Lease and the Master Resolution, have the meaning herein specified.

“Acts” means the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and the Utah Revised Nonprofit Corporation Act, Title 16, Title 6a, Utah Code Annotated 1953, as amended.

“Additional Bonds” means Bonds issued by the Authority pursuant to Section 4.9 of the Master Resolution.

"Additional Rentals" means the cost of all taxes, insurance premiums and expenses payable by, and fees of, the Authority with respect to the Bonds and other charges and costs which the Town assumes or agrees to pay exclusively from Town Funds under Section 6.3 of this Lease, together with all interest and penalties that may accrue thereon in the event that the Town shall fail to pay the same, as specifically set forth herein.

“Authority” means the Local Building Authority of Virgin Town, Washington County, Utah, a nonprofit corporation organized under the laws of the State with its principal place of business in Virgin, Washington County, Utah, acting in the capacity of lessor under this Lease and as issuer under the Master Resolution.

"Authority Representative" shall mean the person or persons at the time designated to act on behalf of the Authority for purposes of performing any act on behalf of the Authority with respect to the Project by a written certificate furnished to the Town containing the specimen signature of such person or persons and signed on behalf of the Authority by any duly authorized officer of the Authority. Such certificate may designate an alternate or alternates. The Authority Representative may be an officer or employee of the Authority or Town.

"Base Rentals" means the payments payable by the Town exclusively from Town Funds pursuant to Section 6.2 of this Lease during the Original Term and any applicable Renewal Term hereof (as those terms are hereinafter defined), which constitute the payments payable by the Town for and in consideration of the right of use of the Project during the Original Term and applicable Renewal Terms and the purchase option granted herein.

“Business Day” means a legal business day on which banking business is transacted in the state in which the Authority has its principal office.

“Completion Certificate” shall mean the certificate described in Section 7.3 hereof establishing the Completion Date.

“Completion Date” shall mean the date of acceptance by the Town of the Project as evidenced by delivery of the Completion Certificate.

“Construction Contract” shall mean any construction contract between the Authority (or its designee) and any contractor regarding construction of the Project.

"Costs of Construction" shall mean:

(1) the actual cost of enlarging, constructing, reconstructing, improving, replacing, restoring, renovating, maintaining, equipping or furnishing all or any part of the Project, including architect’s or engineer’s fees; and

(2) all expenses connected with the authorization, sale and issuance of the Bonds, including trustee initial fees, fees for outside attorneys or accountants, whose opinions are required to obtain the issuance of the Bonds, financial advisors’ fees and commissions and printing costs, those amounts as the Authority shall find necessary to establish reserves and maintenance, repair, replacement, and contingency funds and accounts, and the interest on Bonds for a reasonable time prior to, during, and for a reasonable period of time after completion of the construction of the Project.

"Event of Default" means one or more of the events of default as defined in Section 14.1 of this Lease.

"Event of Nonappropriation" means a failure by the Town to renew this Lease by failing to budget and appropriate sufficient Town Funds for the payment of all or any part of the Base Rentals and Additional Rentals for any Renewal Term hereof as set forth in Section 6.6 of this Lease prior to the beginning of any Renewal Term.

"Force Majeure" means, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, order or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority, insurrections, riots, landslides, earthquakes, storms, droughts, floods, explosions, breakage or accidents to machinery, transmission pipes or canals, or any other cause or event not reasonably within the control of the Town and not due to its negligence.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the State and who is not a full-time employee of the Authority or the Town.

"Lease" means this Lease Agreement and any amendments and supplements hereto, including the exhibits attached hereto.

“Lease Term” means the duration of the leasehold estate created in the Project as provided in Article IV of this Lease, including the Original Term and the Renewal Terms, if any.

“Master Resolution” means the Master Resolution of the Authority dated as of the date of this Lease, pursuant to which the Bonds are authorized to be issued and certain interests of the Authority in this Lease, and the Base Rentals, Purchase Option Price and other revenues received by the Authority from the Town with respect to the Project are to be pledged and assigned as security for the payment of principal and interest of, premium, if any, on the Bonds, including any resolution supplemental thereto.

“Net Proceeds”, when used with respect to any performance or payment bond proceeds or proceeds from policies of insurance required hereby or any condemnation award or the proceeds of any liquidation of all or portions of the Project, means the amount remaining after deducting all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“Original Term” means the portion of the Lease Term which terminates on January 14, 2025.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or which the Town may, pursuant to the provisions of Article IX of this Lease, permit to remain unpaid; (ii) this Lease, including any security interests granted herein; (iii) utility access and other easements and rights-of-way, restrictions and exceptions which the Town Representative and the Authority Representative certify will not interfere with the operation of the Project or impair the marketability of title to the Project or the general security provided for the Bondholders; (iv) the Master Resolution, the Security Documents and related financing statements, if any; and (v) such minor defects, irregularities, encumbrances, and clouds on title as normally exist with respect to property of the general character of the Project and as do not, in the opinion of Independent Counsel, materially impair the operation or marketability of title to the Project.

"Project" means the purchase of property for use as a town hall, public safety facility, post office and related facilities for Town purposes, as more fully described in Exhibit “A” hereto.

"Project Documents" means (i) the plans and specifications with respect to the Project, (ii) a survey, if any, of the Project Site, prepared by a registered land surveyor in accordance with standard requirements for land title surveys, showing the location of all improvements, easements, encroachments and other encumbrances on the Project Site; (iii) any necessary permits for construction of the Project, including any building permits and certificates of occupancy or waivers of the same; (iv) the Construction Contract; (v) policies of title, casualty, public liability and workers' compensation insurance, or certificates thereof, as required by this Lease with respect to the Project; (vi) performance and payment bonds with respect to the Project; (vii) contracts with the architect hired in connection with the plans and specifications; and (viii) policies of title, casualty and public liability insurance, any and all other documents executed by or furnished to the Town in connection with the acquisition, construction and equipping of the Project.



“Project Site” means the real property, as more fully described in Exhibit “A” hereof, upon which the Project is located.

“Purchase Option Price” means an amount payable, at the option of the Town, at any time for the purpose of terminating the payment obligation of the Town under this Lease and purchasing the Project, which amount, when added to the amounts then on deposit in the Bond Fund (other than moneys held by the Authority for the payment of Bonds not deemed Outstanding), shall be sufficient (i) to pay, defease, retire and/or redeem all the Outstanding Bonds, as appropriate, in accordance with the provisions of the Master Resolution (including, without limiting the generality of the foregoing, the principal of to maturity or earliest applicable redemption date of the relevant Bonds, as the case may be, and premium, if any, thereon, the expenses of defeasance and/or redemption, including escrow agent fees, if any, and the Authority’s and paying agents’ fees and expenses) and (ii) in case of redemption, to make arrangements satisfactory to the Authority for the giving of the required notice of redemption.

“Refunding Bonds” means Bonds issued by the Authority pursuant to Section 4.8 of the Master Resolution.

"Renewal Terms" means the optional Renewal Terms of the Lease Term as provided in Article IV of this Lease.

“Security Documents” means collectively a deed of trust, assignment of rents and security agreement with respect to the Project.

"State" means the State of Utah.

“State Bank” means State Bank of Southern Utah.

“Town” means Virgin Town, Washington County, Utah, a political subdivision and body politic duly established and existing under and by virtue of the Constitution and laws of the State.

“Town Funds” means all revenues, receipts and other legally available moneys, including without limitation payments received by the Town from operation or subleasing portions of the Project and moneys derived from ad valorem property taxes and other taxes, to the extent the same are budgeted and appropriated by the governing body of the Town for the purpose of paying Base Rentals, Additional Rentals or the Purchase Option Price hereunder during the Original or any Renewal Term in which this Lease may be in effect.

"Town Representative" means the person at any time designated to act on behalf of the Town for purposes of performing any act with respect to the Project by a written certificate furnished to the Authority containing the specimen signature of such person and signed on behalf of the Town by its Chairman or any duly authorized officer thereof. Such certificate may designate an alternate or alternates. The Town Representative may be an officer or employee of the Authority of the Town.

**ARTICLE II**

**REPRESENTATIONS, COVENANTS AND WARRANTIES**

**2.1. Representations, Covenants and Warranties of the Town.** The Town hereby represents, covenants and warrants for the benefit of the Authority as follows:

(a) The Town is a political subdivision and body politic duly existing as such within the State under the Constitution and laws of the State. Under the provisions of the Constitution and laws of the State, the Town is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The Town has duly authorized and approved the execution and delivery of this Lease. The Town agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) The Authority has by this Lease leased the Project to the Town as hereinafter provided. It is understood by the parties hereto that the Authority shall have all rights, title and interest in the Project, subject to Permitted Encumbrances.

(c) During the Lease Term, the Project will at all times be used for the purposes described herein consistent with the permissible scope of the Authority and the Town under the Constitution and laws of the State.

(d) The Town is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in subsection (a) of this Section 2.1. Neither the execution and delivery of this Lease, nor the issuance and sale of the Bonds, nor the performance by the Town of its obligations under this Lease will constitute on the part of the Town a breach of or a default under, any existing law, court or administrative regulation, decree, order or any material agreement, indenture, mortgage, lease or any other instrument to which the Town is subject or by which it is or may be bound.

(e) There is no action, suit, proceeding pending or, to the best knowledge of the Town, threatened, or any basis therefor, before any court or administrative agency which may adversely affect the Town or the ability of the Town to perform its obligations under this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Town of this Lease or in connection with the carrying out by the Town of its obligations under the Lease have been obtained.

(f) The Town shall comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus, agencies and officers, including, without limitation, all zoning and other laws that would be applicable to the Project.

(g) The acquisition of the Project will be accomplished in accordance with all applicable laws and is necessary and appropriate for accomplishing one or more of the authorized functions or public purposes of the Town and is suitable for such purpose and in furtherance of the purposes of

the Town and the best interests of the citizens of the Town.

(h) No voter approval (as contemplated by Section 11-14a-1, Utah Code Annotated 1953, as amended) was sought on the question of whether general obligation bonds of the Town should be issued to finance the Project.

**2.2. Representations, Covenants and Warranties of the Authority.** The Authority represents, covenants and warrants for the benefit of the Town as follows:

(a) The Authority is a nonprofit corporation duly incorporated and in good standing under the laws of the State and is duly qualified to transact business in the State, is not in violation of any provision of its Articles or its Bylaws, has the corporate power and authority to enter into this Lease and has duly authorized and approved the execution and delivery of this Lease by proper corporate action.

(b) The Authority agrees that, so long as this Lease has not been terminated, it will maintain its corporate existence, will continue to be a corporation in good standing under the laws of the State, will not dissolve or otherwise dispose of all or substantially all of its assets, except as provided in this Lease, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

(c) The Authority has, or will acquire, ownership of the Project (subject to Permitted Encumbrances). The Authority has by this Lease leased the Project to the Town as hereinafter provided. It is understood by the parties hereto that the Authority shall have all rights, title and interest in the Project, subject to Permitted Encumbrances.

(d) The Authority will not pledge the Base Rentals, the Additional Rentals, Purchase Option Price or any of its other rights hereunder and will not assign its interest in or encumber the Project except as provided hereunder and under the Master Resolution and the Security Documents. All property and moneys received by the Authority for the Town will, so long as no Event of Nonappropriation or Event of Default shall occur, be applied for the benefit of the Town, and all property and moneys received by the Authority hereunder with respect to the Project and under the Master Resolution for the Bondholders of the Bonds will be applied for the proportionate benefit of said Bondholders.

(e) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions and hereof, nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Authority except Permitted Encumbrances.

(f) Except as otherwise provided herein, in the Master Resolution and the Security

Documents, the Authority will not assign this Lease, its rights to payments from the Town or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(g) The Authority will not use any of the proceeds of the sale of the Bonds in a manner not authorized by the terms of this Lease, the Master Resolution or the exhibits hereto and thereto.

(h) There is no action, suit, proceeding pending or, to the best knowledge of the Authority, threatened or any basis therefor, before any court or administrative agency which might adversely affect the Authority or the ability of the Authority to perform its obligations under the Lease, the Master Resolution, the Security Documents or the Bonds. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Authority of this Lease, the Master Resolution, the Security Documents and the Bonds or in connection with the carrying out by the Authority of its obligations under this Lease, the Master Resolution, the Security Documents and the Bonds have been obtained.

(i) The Authority gave notice of its intent to issue the Series 2024 Bonds and no petition meeting the requirements of Section 17D-2-601 of the Act was submitted during the 30-day period following publication of such notice.

**ARTICLE III**

**DEMISING CLAUSE**

**3.1. Demise of the Leased Property.** The Authority hereby demises and leases the Project to the Town and the Town leases the Project from the Authority, subject only to Permitted Encumbrances in accordance with the provisions of this Lease, to have and to hold under this Lease unless sooner terminated as expressly provided herein. Nothing in this Lease shall be construed to require the Town to operate the Project other than as the lessee hereunder or to exercise its right to purchase the Project or any portion thereof as provided in Article XII of this Lease.

The Authority warrants and covenants that it has (or will have) ownership interest in the Project Site and that it will furnish the Project, all as more fully described in Exhibit “A” hereto and subject to Permitted Encumbrances. The Authority will cause to be furnished at the time of delivery of the Series 2024 Bonds, or at or prior to disbursements of any amounts with respect to such portion of the Project, a title report issued by a title insurance company satisfactory to the State Bank which satisfies the requirements of Section 4.2(c) of the Master Resolution.

The Authority shall be empowered, after an Event of Nonappropriation or any Event of Default and the foreclosure of the security afforded under this Lease, the Master Resolution or the Security Documents, and apply the said amounts collected to the Base Rentals and Additional Rentals, as appropriate, required herein, but no such collection shall be deemed a waiver of any agreement, term, covenant or condition hereof, or the acceptance of any sublessee as lessee hereunder.

**ARTICLE IV**

**LEASE TERM**

**4.1. Commencement of Lease Term.** The Lease Term shall commence as of the date of delivery of the Series 2024 Bonds and shall terminate at midnight on January 14, 2025. The Lease Term may be continued, solely at the option of the Town, beyond the termination of the Original Term for an additional year, the first “Renewal Term”, and for thirty (30) consecutive additional Renewal Terms thereafter each of one year in duration (except that the final Renewal Term shall commence January 15, 2039 and end on January 14, 2040), upon the Town having budgeted and appropriated, prior to the end of the then current Original or Renewal Term, sufficient Town Funds for the payment of Base Rentals and reasonably estimated Additional Rentals to become due during the next following Renewal Term, it being understood that by budgeting and appropriating such amounts, the Town shall have elected to continue the Lease Term for the next following Renewal Term and shall have given adequate notice thereof as contemplated by Section 17D-2-402(1)(b) of the Utah Local Building Authority Act, and it being further understood that if no payment is due and owing during a Renewal Term, the Town shall be deemed to have continued the Lease Term for said Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Base Rentals and Purchase Option Price shall be as otherwise provided herein.

**Section 4.2. Termination of Lease Term.** The Lease Term shall terminate upon the first to occur of the following events:

- (a) the occurrence of an Event of Nonappropriation;
- (b) the exercise by the Town of its option to purchase the Project, granted under the provisions of this Lease;
- (c) an Event of Default and the election of the Authority to terminate this Lease under Article XIV hereof;
- (d) the discharge of the lien of the Master Resolution under Article X thereof;
- (e) the termination of the Lease Term pursuant to Section 10.3 of this Lease under the conditions provided therein; or
- (f) January 14, 2040 which date constitutes the last day of the final Renewal Term of this Lease, upon payment of all Base Rentals and Additional Rentals required hereunder.

**ARTICLE V**

**ENJOYMENT OF THE PROJECT**

**5.1. Enjoyment of the Project.** Subject to the provisions of the Lease, the Authority hereby covenants to provide the Town during the Lease Term with quiet use and enjoyment of the Project, and the Town shall during the Lease Term peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from the Authority or the Bondholders, except as expressly set forth herein and in the Master Resolution and the Security Documents. Neither the Authority nor any Bondholder shall interfere with such quiet use and enjoyment during the Lease Term so long as no Event of Default or Event of Nonappropriation shall have occurred. The Authority shall, at the request of the Town and at the cost of the Town, join in any legal action in which the Town asserts its right to such possession and enjoyment, to the extent that the Authority may lawfully do so. In addition, the Town may at its own expense join in any legal action affecting its possession and enjoyment of the Project and shall be joined as a party in any action affecting its liabilities hereunder.

The Authority shall have the right at all reasonable times during business hours (and in emergencies at all times to enter into and upon the Project for the purpose of inspecting the same.

**ARTICLE VI**

**PAYMENTS BY THE TOWN**

**6.1. Payments to Constitute a Current Expense of the Town.** The Town and the Authority acknowledge and agree that the obligation of the Town to pay Base Rentals and Additional Rentals hereunder constitutes a current expense of the Town payable exclusively from Town Funds and shall not in any way be construed to be an obligation or indebtedness of the Town within the meaning of Sections 3 or 4 of Article XIV of the Utah Constitution, or any constitutional or statutory limitation or requirement applicable to the Town concerning the creation of indebtedness. No provision of this Lease shall be construed or interpreted as a lending of the credit of the Town within the meaning of Section 29 of Article VI of the Utah Constitution. Neither the Town, nor the Authority on its behalf, has pledged the credit of the Town to the payment of the Base Rentals, the Additional Rentals, the Purchase Option Price, the Bonds or the interest, if any, thereon, and neither this Lease, the Security Documents, the Master Resolution nor the Bonds shall directly or contingently obligate the Town to apply money, or to levy or pledge any form of taxation, to the payment of the Base Rentals, the Additional Rentals, the Purchase Option Price, the bonds or any interest, if any, thereon except as expressly provided herein.

**Section 6.2. Payment of Base Rentals.** The Town shall pay Base Rentals exclusively from Town Funds. The Town shall pay Base Rentals during the Original Term and any Renewal Term in such amounts as shall be sufficient to pay principal and interest, if any, when due on the Series 2024 Bonds. The Base Rentals shall be payable directly to the Authority in annual payments in such amounts as shall equal the principal payments falling due on the Series 2024 Bonds, either by regularly scheduled maturities or by mandatory sinking fund redemption, on the next succeeding principal payment date and interest falling due on the Series 2024 Bonds on the next interest payment date, such that there shall be on deposit with the Authority at least fifteen (15) days prior to each principal payment date on the Series 2024 Bonds an amount sufficient to make such

payment. Attached hereto as Exhibit “B” is the Base Rental schedule. Notwithstanding anything contained herein to the contrary, no payment of Base Rentals shall be required to be paid prior to delivery of the Project to the Town for occupancy, provided, however, that as substantial portions of the Project are available for operation the Town shall pay Base Rentals in proportion to the portion available. The amount of the Base Rentals otherwise payable by the Town hereunder shall be reduced by an amount equal to (i) earnings on the investment of the Bond Fund, and (ii) any moneys paid by the Authority for the purchase of the Bonds and the cancellation thereof or which are otherwise deposited in the Bond Fund, other than moneys paid as Base Rentals or the Purchase Option Price. Base Rentals due at least fifteen (15) days prior to any Bond payment date shall be in consideration for the use of the Project by the Town during the one-year period succeeding each Bond payment date and for the option to purchase the Project granted herein.

It is understood and agreed by the Town that, subject to the terms of this Lease and the Master Resolution, all Base Rentals payable under this Section 6.2 by the Town, as well as the Purchase Option Price, if paid with respect to the Project, are pledged by the Authority for the benefit of the Bondholders. The Town assents to such pledge. The Authority hereby directs the Town, and the Town hereby agrees to pay to the Authority at its principal office, all Base Rentals payable by the Town pursuant to this Section 6.2 and, if paid, the Purchase Option Price.

The amount of the Base Rentals and Purchase Option Price otherwise payable shall be reduced as appropriate to reflect any redemption of Series 2024 Bonds and/or the purchase of Bonds and the cancellation thereof in advance of their maturity; provided, however, that adequate provision shall be made for the payment of any Additional Bonds or Refunding Bonds. If at any time the amounts held by the Authority in the Bond Fund (other than moneys held for the payment of Bonds not deemed Outstanding) shall be sufficient to pay at the times required the principal of and interest and redemption premium, if any, on all of the Bonds (including any Additional Bonds and Refunding Bonds) then Outstanding, the Town shall not be obligated to pay any further Base Rentals hereunder.

**Section 6.3. Payment of Additional Rentals with Respect to the Project.** In addition to the Base Rental and as part of the total consideration for the use of the Project and the option to purchase the Project, and commencing upon delivery of possession of the Project or any substantial portion thereof, as provided in Section 6.2 of this Lease and continuing throughout the period that the Town pays Base Rentals, the Town shall pay the following Additional Rentals, exclusively from Town Funds, during the Original Term and any Renewal Terms thereof as hereinafter provided:

- (a) the annual fee of the Authority for the ordinary services of the Authority rendered and its ordinary expenses incurred under the Master Resolution;
- (b) the reasonable fees and charges of the Authority and any paying agent appointed under the Master Resolution with respect to the Bonds for acting as paying agent as provided in the Master Resolution;
- (c) the reasonable fees and charges of the Authority for extraordinary services

rendered by it and extraordinary expenses incurred by it as Authority under the Master Resolution;

- (d) the reasonable out-of-pocket expenses of the Authority not otherwise required to be paid by the Town under the terms of this Lease;
- (e) the costs of maintenance and repair as required under Section 9.1 of this Lease;
- (f) the costs of taxes, governmental charges, utility charges, management and operations of expenses, liens and encumbrances as required under Section 9.3 of this Lease;
- (g) the costs of casualty, public liability and property damage and worker's compensation insurance as required under Section 9.4, 9.5 and 9.6 of this Lease;
- (h) the amount of any tax or excise on the Base Rentals, Additional Rentals, Purchase Option Price or any other tax, however described, levied, assessed or imposed by the United States Government, the State or any political subdivision or any taxing authority thereof against the Authority; and
- (i) an amount equal to any franchise, succession, capital levy or transfer tax or any income, excess profits or revenue tax, or any other tax, assessment, charge or levy upon the Base Rentals, Additional Rentals or the Purchase Option Price payable by the Town pursuant to this Lease.

The Additional Rentals specified in subsections (a), (b) and (c) shall be payable to the Authority and shall be due and payable within ten (10) days after notice in writing from the Authority to the Town stating the amount of Additional Rentals then due and payable and the purpose thereof. Except as otherwise provided herein or in the Master Resolution, the Additional Rentals specified in subsections (d), (e), (f), (g), (h) and (i) shall be payable to the Authority or directly to the person or entity with respect to which such costs were incurred and shall be due and payable at such time as the Authority or such person or entity shall require.

**Section 6.4. Manner of Payment.** The Base Rentals, Additional Rentals and, if paid, the Purchase Option Price, shall be paid exclusively from Town Funds and in lawful money of the United States of America. The obligation of the Town to make payment of the Base Rentals and Additional Rentals required under this Article VI and other sections hereof and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events except as expressly provided hereunder. Notwithstanding any dispute between the Town and the Authority, any Bondholder, any contractor or subcontractor, if any, retained with respect to the acquisition, construction and equipping of the Project, any supplier of labor or materials in connection therewith or any other person, the Town shall pay all payments of Base Rentals and Additional Rentals, from and to the extent of available Town Funds, when due, and shall not withhold any Base Rentals or Additional Rentals pending final resolution of such dispute, nor



shall the Town assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. The obligation of the Town to pay Base Rentals and Additional Rentals during the Original Term and the current Renewal Term shall be absolute and unconditional in all events, except as expressly provided herein, and payment of the Base Rentals and Additional Rentals shall not be abated through accident or unforeseen circumstances.

**Section 6.5. Expression of Need for the Project by the Town; Determination of Purchase Price.** The Town hereby declares that, as of the date of the execution of this Lease, the Town currently has an essential need for the Project which is the subject of this Lease to carry out and give effect to the public purposes of the Town. By the execution hereof, the Town and the Authority hereby agree and determine that the Base Rentals and Additional Rentals payable hereunder are reasonable and that the Purchase Option Price represents, as of the end of the Original Term or any Renewal Term, a reasonable purchase price of the Project. In making such determination the Town and the Authority have given consideration to the costs of construction of the Project, the cost of financing the Project, the uses and purposes for which the Project will be employed by the Town and the benefit to the citizens of the Town by reason of the Town's use and occupancy of the Project pursuant to the provisions of this Lease.

**Section 6.6. Nonappropriation.** In the event that sufficient Town Funds shall not be budgeted and appropriated by the Town prior to the beginning of any Renewal Term for the payment of the (i) Base Rentals becoming due during such Renewal Term, and (ii) such Additional Rentals becoming due during such Renewal Term which can be determined with reasonable accuracy, then an Event of Nonappropriation shall be deemed to have occurred as of the first day of such Renewal Term and the Town shall not be obligated to make payment of the Base Rentals or Additional Rentals provided for herein beyond the last day of the Renewal Term preceding such Event of Nonappropriation. Subject to the provisions of the next succeeding sentence, once the Town has elected to continue this Lease for a Renewal Term by budgeting and appropriating sufficient Town Funds for the payment of Base Rentals and Additional Rentals hereunder the Town shall, as of the first day of such Renewal Term, be obligated to pay such Base Rentals and Additional Rentals during such Renewal Term. If the Town fails to pay any Base Rentals or Additional Rentals due under this Lease, or upon an Event of Nonappropriation, the Town shall immediately quit and vacate the Project and its obligation to pay Base Rentals or Additional Rentals hereunder shall terminate. The Authority shall, upon the occurrence of an Event of Nonappropriation, have all rights and remedies to take possession of the Project as trustee for the benefit of the Bondholders and shall hold in trust for the Bondholders all moneys then on hand and being held in all funds created under the Master Resolution. All property, funds and rights acquired by the Authority by reason of an Event of Nonappropriation as provided herein shall be held by the Authority under the Master Resolution for the benefit of the Bondholders as set forth in said Master Resolution until the principal of, and premium, and interest, if any, on the Bonds are paid in full and any excess shall thereafter be paid to the Town.

The parties hereto agree that, upon the occurrence of an Event of Nonappropriation, the Town shall immediately quit and vacate the Project.

**Section 6.7. Application of Base Rentals, Additional Rentals and Purchase Option Price.** All Base Rentals, the Additional Rentals specified in subsections (a), (b), (c) and (d) of Section 6.3 hereof, and if paid by the Town, the Purchase Option Price shall be paid to the Authority for application in accordance with the Master Resolution.

**Section 6.8. Request for Appropriation.** To the extent permitted by law, the Town covenants and agrees as follows:

(a) During the term of this Lease, the Town covenants and agrees (i) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of the Town in accordance with applicable law an item for expenditure of an amount necessary (after taking into account any moneys then legally available for such purpose, including but not limited to such revenues and receipts, if any, as may be generated by the Town’s operation or subleasing of the Project) to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided herein) for the Project during the next succeeding Renewal Term, and (ii) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of the Town for its consideration seeks an appropriation of moneys sufficient to pay such Base Rentals and Additional Rentals for each such Renewal Term, including all such actions for such purpose as may be required under the Uniform Fiscal Procedures Act, Title 17, Chapter 36, Utah Code Annotated 1953, as amended (the “Uniform Fiscal Procedures Act”). The first such inclusion in the Town’s annual tentative budget shall be made under applicable law in the fiscal year prior to the fiscal year commencing January 15, 2025, so that the Base Rentals payable during such Renewal Term and the reasonably estimated Additional Rentals payable during such Renewal Term will have been appropriated for such purpose, and subsequent inclusions in each respective tentative budget for appropriations by the Town shall be made in each fiscal year thereafter so that the Base Rentals to be paid during the succeeding Renewal Term and Additional Rentals payable during such Renewal Term will be available for such purposes as long as the governing body of the Town determines to approve such amount in the final budget as adopted.

(b) To effect the covenants set forth in (a) above, the Town hereby directs its “budget officer” (as such term is defined in the Uniform Fiscal Procedures Act, or any other officer at the time charged with the responsibility of formulating budget proposals) to include in the tentative budget prepared annually by such budget officer or other officer and submitted to the governing body of the Town, in any year in which this Lease is in effect, items for all payments required for the ensuing Renewal Term under this Lease. It is hereby expressed as the intention of the Town that the decision to renew or not to renew the term of this Lease is to be made solely by the governing body of the Town at the time it considers for adoption the final budget for each of its fiscal years and corresponding Renewal Terms hereunder, and not by any official of the Town, acting in his or her individual capacity as such. In this connection, the Town hereby covenants and agrees that such budget officer or other officer shall not amend, modify or otherwise change the appropriations made in any finally adopted budget for the payment of any Base Rentals or Additional Rentals without the express prior approval of the governing body of the Town.

**ARTICLE VII**

**ACQUIRING OF THE PROJECT AND  
ISSUANCE OF SERIES 2024 BONDS**

**Section 7.1. Agreement to Acquire Project.** The Town and the Authority agree that the Authority shall cause the Project to be acquired and constructed as herein provided, all of which acquisition and construction shall be made in accordance with the plans for the Project as approved by the Town and the Authority. The Authority hereby agrees that in order to effectuate the purposes of this Lease, it will make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for the acquisition and construction of the Project.

The Authority agrees to acquire the Project through the application of moneys to be disbursed from the Escrow Account (as defined in the Master Resolution) by the Authority upon the authorization of the Authority Representative in accordance with the Master Resolution.

The Authority agrees to cause the acquisition and the construction of the Project to be completed with all reasonable dispatch, and to use its best efforts to cause the same to be completed by January 15, 2025, or as soon thereafter as may be practicable, subject only to delays caused by Force majeure excepted; but if for any reason the Project is not completed by said date, there shall be no resulting liability on the part of the Authority or Event of Default hereunder.

**Section 7.2. Agreement to Issue the Series 2024 Bonds; Application of Bond Proceeds.** In order to provide funds to finance the Project (as described herein), the Authority, concurrently with the execution of this Lease, will issue, sell and deliver to the State Bank the Series 2024 Bonds and the Authority will deposit the proceeds thereof in the Escrow Account as provided in the Master Resolution. Moneys shall be disbursed from the Escrow Account in accordance with the terms of the Escrow Agreement.

**Section 7.3. Establishment of Completion Date; Disbursement of Balance of Escrow Account.** In the event improvements are constructed with bond proceeds, the Completion Date shall be evidenced by a certificate signed by the Authority Representative and the Town Representative stating that, except for amounts retained by the Authority at the direction of the Authority for any Costs of Construction, if applicable, not then due and payable, (i) the acquisition and construction of the Project has been completed in accordance with the plans and specifications and all labor, services, materials and supplies used in such acquisition and, if applicable, construction have been paid for, (ii) all other facilities necessary in connection with the Project have been constructed, acquired and installed to their satisfaction, (iii) the Project is suitable and sufficient for its intended purposes, and (iv) all costs and expenses incurred in the acquisition and construction of the Project have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights of the Town for subsequently discovered defects as to the workmanship, operability or suitability of equipment or the like.

Upon completion of the Project, any unexpended balance from proceeds of the Series 2024 Bonds remaining in the Escrow Account shall be deposited in the Bond Fund and used to redeem

the Series 2024 Bonds pursuant to Section 4.1(a) of the Master Resolution. Following the transfer of unexpended funds from the Escrow Account, the Escrow Account will be closed.

**Section 7.4. Investment of Bond Fund Moneys.** Any moneys held as part of the Bond Fund or any other fund created in connection with the issuance of the Bonds shall be invested and reinvested by the Authority in Permitted Investments (as defined in the Master Resolution) and consistent with Section 51-7-11, Utah Code Annotated 1953, as amended.

All such investments shall at all times be a part of the funds from where the moneys used to acquire such investments shall have come, and all income profits on such investments shall be credited to and losses thereof shall be credited against such funds except as expressly provided to the contrary in this Lease. Any investment shall be held by or under the control of the Authority.

The Authority shall sell and reduce the cash in a sufficient amount of such investments whenever the cash balance in the Bond Fund is insufficient to pay the principal of and premium, if any, and interest on the Bonds when due. The Authority and the Town jointly and severally covenant and certify to each other and to and for the benefit of the Bondholders that no use will be made of the proceeds from the issue and sale of the Bonds nor will use be made of moneys in the Bond Fund or any other fund which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Code, and any regulations promulgated thereunder. Pursuant to such covenant, the Authority and the Town obligate themselves to comply throughout the term of the Bonds with the requirements of Section 148 of the Code and any regulations promulgated thereunder.

**ARTICLE VIII**

**TITLE TO THE PROJECT; CONVEYANCE TO THE TOWN;  
SECURITY INTEREST**

**Section 8.1. Title to the Project.** Title to the Project and any and all additions, repairs, replacements or modifications thereto, shall be held in the name of the Authority, subject to Permitted Encumbrances, at all times until conveyed to the Town as provided in Section 12.1. The Town shall not have any right, title or interest in the Project or any additions, repairs, replacements, modifications or fixtures thereto except as expressly set forth herein.

**Section 8.2. Security Interest.** To secure the payment of all of the obligations of the Authority under the Master Resolution, the Authority shall grant to the Bondholders a security interest in the Project, the Base Rentals and Additional Rentals received by the Authority under this Lease, and all other rights to receive payments. Upon execution of this Lease, the Town and the Authority agree that the Authority shall execute the Security Documents and the Master Resolution. The Master Resolution creates a valid and binding pledge and assignment of and security interest in all of the personal property pledged as part of the Project, in favor of the Bondholder as security for payment of the Bonds, enforceable by the Bondholder in accordance with the terms thereof.

Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall be prior to any judicial lien hereafter imposed on the personal property pledged as part of the Project to enforce a judgment against the Authority on a simple contract.

**ARTICLE IX**

**MAINTENANCE; TAXES; INSURANCE; AND OTHER CHARGES**

**Section 9.1. Maintenance of the Project by the Town.** The Town shall, at its own expense, from available Town Funds, operate, manage, keep and maintain the Project in good working order, condition and repair, including replacements of a capital nature when necessary, and including periodic painting as reasonably determined by the Authority and in accordance with all operating and maintenance manuals and all applicable laws, rules, ordinances, orders and regulations as shall be in effect from time to time of (1) any federal, state, county, municipal, or other governmental or quasi-governmental agencies and bodies having or claiming jurisdiction thereof and all their respective departments, bureaus, and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction thereof; and (3) all insurance companies insuring all or any part of the Project. The foregoing shall not be construed to prohibit the Town from challenging the validity or applicability of such laws, rules, ordinances, orders and regulations and to defer compliance until the challenge has been completed.

Without limiting the generality of the foregoing, the Town shall, at the Town’s sole cost and expense, as if the Town were the absolute owner thereof, from available Town Funds, assume all responsibility for the Project (including all surfaces of the buildings and entrances thereto, foundations, ceilings, roof, all glass and show window moldings and all partitions, doors, fixtures, equipment, and appurtenances thereto, including lighting and plumbing systems and fixtures, sewage facilities, electric motors and heating, ventilating and air-conditioning systems, and all landscaping, parking lots, driveways, fences and signs located on the Project Site and all sidewalks and parkways located adjacent to the Project Site) and pay all costs of any kind (including operating costs and costs of repair, whether of a capital nature or otherwise) associated therewith.

**Section 9.2. Modification of the Project.** The Town shall have the privilege of remodeling the Project or making substitutions, additions, modifications and improvements thereto, at its own cost and expense, and the same shall be subject to this Lease, the Master Resolution and the Security Documents, and shall also be included under the terms hereof and thereof; provided, however, that such remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Project or cause it to be used for purposes other than those authorized under the provisions of this Lease, and the Constitution and laws of the State; and provided, however, that the Project, as remodeled, improved or altered upon completion of such remodeling, substitutions, additions, modifications and improvements made pursuant to this Article IX shall be of a fair rental value not less than the fair rental value of the Project immediately prior to the remodeling or the making of substitutions, additions, modifications and improvements. The Town shall not permit any mechanic’s or other lien to be established or remain against the Project for labor or materials

furnished in connection with any remodeling, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by the Town; provided, however, that if the Town shall first notify the Authority of the intention of the Town so to do, the Town may in good faith contest any mechanic's or other lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority shall notify the Town that, in the opinion of Independent Counsel, by nonpayment of any such items the security afforded pursuant to the terms hereof and pursuant to the Master Resolution and the Security Documents will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the Town shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will cooperate fully with the Town in any such contest, upon the request and at the expense of the Town. Any property for which a substitution or replacement is made pursuant to this Section 9.2 may be disposed of by the Town in any manner and in the sole discretion of the Town.

**Section 9.3. Taxes, Other Governmental Charges and Utility Charges.** In the event that the Project or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body which may be secured by a lien against the Project, an Additional Rental, from and to the extent of Town Funds, shall be paid by the Town equal to the amount of all such taxes, assessments and governmental charges then due. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Town shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during that period that the Town is obligated to pay Base Rentals. The Town shall not allow any liens for taxes, assessments or governmental charges to exist (including, without limitation, any taxes levied which, if not paid, will become a charge on the rentals and receipts prior to or on a parity with the charge thereon and the pledge and assignment thereof to be created and made in the Master Resolution), or any interest therein (including the interest of the Authority) or the rentals and revenues derived therefrom or hereunder. The Town shall also pay as Additional Rentals, from and to the extent of available Town Funds, as the same respectively become due, all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

As long as the Town is in possession of the Project and except as otherwise provided herein, it shall keep it free and clear of all liens, charges and encumbrances (except Permitted Encumbrances and any encumbrances arising through the Authority) and shall have the responsibility for all management, operations, maintenance and repair of the Project. The Town in its discretion may discharge such responsibility by: (1) using its own employees; or (2) contracting for services; or (3) subleasing portions of the Project, subject to the provisions hereof and of the Master Resolution; or (4) any combination of such methods. No such contract shall place a greater burden on the Authority hereunder, nor violate or in any way impair the Authority's obligations under the Master Resolution or any other instrument, if any, securing any debt or borrowings by the Authority, all or substantially all the proceeds of which are to be used to finance the Project. The Authority does not agree to provide anything more than the Project as herein defined. The Authority does not agree to provide anything more than the Project as herein defined, and shall have no obligation to incur any expense of any kind or character in connection with the management,

operation, or maintenance of the Project during the Lease Term.

The Town may, at the expense and in the name of the Town, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom provided the Town shall first deposit with the Authority, or in court, a bond or other security satisfactory to Authority pursuant to Section 1.18 of the Deed of Trust, Assignment of Rents and Security Agreement delivered by the Authority unless the Authority shall notify the Town that, in the opinion of Independent Counsel, by nonpayment of any such items the security afforded pursuant to the terms hereof and pursuant to the Master Resolution and the Security Documents will be materially endangered or the Project or any portion thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid forthwith. In the event that the Town shall fail to pay any of the foregoing items required by this Section 9.3 to be paid by the Town, the Authority may (but shall be under no obligation to) pay the same, which amounts the Town agrees to pay, from and to the extent of available Town Funds.

**Section 9.4. Provisions Respecting Insurance.** The Town agrees to insure or cause to be insured the Project against loss or damage of the kinds usually insured against by public bodies similarly situated, including, without limitation, policies of casualty and property damage insurance, by means of policies issued by reputable insurance companies duly qualified to do such business in the State with a uniform standard coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State, in amounts that are not less than full insurable value of the Project. The term “full insurable value” as used herein shall mean the actual replacement value, or at the option of the Town any lesser amount which is equal to or greater than the amount of all of the Bonds then Outstanding. Alternatively, the Town may insure or cause to be insured under a blanket insurance policy or policies or under self-insurance which cover not only the Project but other properties in the amounts required by the previous sentence. If a program of self-insurance is used, (i) such program must provide for disbursements therefrom without the approval of the governing body of the Town and (ii) such program shall be reviewed at least annually by an actuarial consultant, to insure that the reserves established are sufficient for the risks intended to be covered by such program. If self-insurance is not utilized, the policies may have a deductible clause in an amount not to exceed \$100,000.

Any insurance policy issued pursuant to the preceding paragraph of this Section 9.4 shall be so written or endorsed as to make losses, if any, payable to the Authority under the Master Resolution. The Net Proceeds of the insurance required in this Section 9.4 shall be applied as provided in Section 10.2 or, at the option of the Town, Section 10.3 of this Lease. The Town may settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance only with written approval of the Authority. Each insurance policy provided for in Section 9.4 of this Lease shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Town or the Authority without first giving written notice thereof to the Town, the Authority and the State Bank at least ten (10) days in advance of such cancellation or modification. Copies of all insurance policies issued pursuant to Section 9.4 or Section 9.5 of this Lease, or certificates evidencing such policies, shall

be deposited with the Authority.

**Section 9.5. Public Liability Insurance.** The Town agrees to carry or cause to be carried public liability insurance with one or more reputable insurance companies in minimum amounts of \$500,000 for the death of or personal injury to one person and \$1,000,000 for personal injury or death for each occurrence and \$300,000 for property damage for any occurrence. The Authority shall be made additional insured under such policies. The insurance required by this Section 9.5 may be by blanket insurance policy or policies or self-insurance meeting the requirements of Section 9.4 hereof. If self-insurance is not utilized, the policies may have a deductible clause in such amount as shall be approved by the Authority.

**Section 9.6. Worker’s Compensation Coverage.** At all times from the date hereof until the end of the Lease Term, the Town shall maintain, or cause to be maintained, worker’s compensation coverage with respect to officers, agents and employees of the Town working in, on or about the Project, including coverage for occupational diseases.

**Section 9.7. Advances.** In the event that the Town shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Project in good repair and operating condition, the Authority may (but shall be under no obligation to) take out the required policies of insurance and pay the premium on the same or may make such repairs or replacements as are necessary and provide for payment thereof; which amounts the Town agrees to pay, from and to the extent of available Town Funds.

**Section 9.8. Failure to Provide Insurance.** In the event the Authority pays for any insurance policies required by this Article, the Town will promptly pay directly to the Authority all premiums for said insurance, and until payment is made by the Town therefor, the amount of all such premiums which have been paid by the Authority shall bear interest at the per annum rate of 18%. The Town shall, upon the Authority’s reasonable request, deposit with the Authority in monthly installments an amount equal to one-twelfth of the estimated aggregate annual insurance premiums on all policies of insurance required by this Article. The Town further agrees, upon the Authority’s request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to the Authority. If at any time and for any reason the funds deposited with the Authority are or will be insufficient to pay such amounts as may then or subsequently be due, the Authority shall notify the Town and the Town shall immediately deposit an amount equal to such deficiency with the Authority.

**Section 9.9. Evidence and Notice Regarding Insurance.** Evidence of the insurance required by Sections 9.4 and 9.5 hereof shall be provided by the Town to the Authority annually on or before the anniversary date of issuance of the Bonds. Policies providing said insurance shall require that notice of cancellation of any said insurance must be furnished to the Authority and the State Bank by the insurance carrier thirty (30) days in advance of cancellation.

**ARTICLE IX**



**DAMAGE, DESTRUCTION AND CONDEMNATION;  
USE OF NET PROCEEDS**

**Section 10.1. Damage, Destruction and Condemnation.** If, prior to the termination of the Lease Term and the payment in full of the Bonds (or the making of provisions for the payment thereof in accordance with the Master Resolution) (i) the Project or any material portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (ii) title to, or the temporary or permanent use of the Project or any material portion thereof or the estate of the Town or the Authority in the Project or any material portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or (iii) a material defect in construction of the Project shall become apparent; or (iv) title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, the Town shall be obligated, subject to the provisions of Section 10.3 of this Lease, to continue to pay the amounts specified in Sections 10.2, 6.2 and 6.3 of this Lease regardless of whether the Project shall have been accepted.

**Section 10.2. Obligation of the Town to Repair and Replace the Project.** Subject to the provisions of Section 10.3 of this Lease, the Town shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards with respect to the Project to be deposited into a separate trust fund with the Authority. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification or improvement of the Project by the Town upon receipt of a requisition acceptable to the Authority signed by the Town Representative, stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the person, firm or corporation to whom payment is due; (iii) the amount to be paid; (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund, and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation; and (v) such other documents and information as the Authority requires. The balance of any such Net Proceeds remaining after such repair, restoration, modification or improvement has been completed shall be transferred to the Bond Fund to be applied to the payment of the principal or, premium, if any, and interest, if any, on the Bonds, or if said Bonds shall have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Master Resolution), any balance remaining in such separate trust fund shall be paid to the Town. If the Net Proceeds shall be insufficient to pay in full the cost of any repair, restoration, modification or improvement or to redeem all Outstanding Bonds, the Town shall, from and to the extent of available Town Funds, complete the work and pay any cost in excess of the amount of the Net Proceeds. The Town agrees that, if by reason of any such insufficiency of the Net Proceeds, the Town shall make any payments pursuant to the provisions of this Section 10.2, the Town shall not be entitled to any reimbursement therefor from the Authority or the Bondholders nor shall the Town be entitled to any diminution of the Base Rentals and Additional Rentals payable under Sections 6.2 and 6.3 of this Lease. The Town further agrees that any repair, restoration, modification or improvement paid for in whole or in part out of such Net Proceeds shall be subject to the security afforded by the Master Resolution, this Lease and the Security Documents, and shall be included under the terms hereof.

**Section 10.3. Discharge of the Obligation of the Town to Repair and Replace the Project.** In the event that the Net Proceeds of any insurance policy, performance bond or condemnation award made available by reason of an occurrence described in Section 10.1 of this Lease shall be insufficient to pay in full the cost of any repair, restoration, or modification of the Project required under Section 10.2 of this Lease, then the obligation to repair and replace the Project under Section 10.2 of this Lease may, at the option of the Town, be discharged by depositing the Net Proceeds of the insurance policies, performance bonds or condemnation awards made available by reason of such occurrence into the Bond Fund. Upon the deposit of such Net Proceeds in the Bond Fund, the Town shall have no further obligation for the payment of Base Rentals and Additional Rentals hereunder, and possession of the Project as well as all rights created pursuant to this Lease and interest of the Town and the Authority therein and in any funds or accounts created under the Master Resolution (except for moneys held for the payment of Bonds not then deemed Outstanding), shall be surrendered to the Bondholder. Thereafter, the Project may be liquidated pursuant to the provisions of the Master Resolution and Security Documents and the proceeds of such liquidation and the Net Proceeds of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of Bonds not then deemed Outstanding), shall be applied to the redemption of the Bonds on the next succeeding redemption date. Such redemption of the Bonds shall be made upon full or partial payment of the principal amount of the Bonds then Outstanding and accrued interest thereon, if any, all in accordance with the Master Resolution. In the event that available moneys shall be insufficient to redeem said Bonds by payment of an amount equal to the Outstanding principal amount thereof and accrued interest, if any, to the redemption date, no further claim for payment may be had by the Bondholders against the Authority or the Town, as provided in the Master Resolution.

**Section 10.4. Cooperation of the Authority.** The Authority shall cooperate fully with the Town at the expense of the Town in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.1 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any portion thereof or any property of the Town in connection with which the Project is used and will, to the extent it may lawfully do so, and shall permit the Town to litigate in any proceeding resulting therefrom in the name and on behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding or any part thereof without the written consent of the Town Representative.

**Section 10.5. Condemnation of Property Owned by the Town.** The Town shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Project.

**ARTICLE XI**

**DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS**

**Section 11.1. Disclaimer or Warranties.** THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY OF THE EQUIPMENT OR FIXTURES THEREIN OR ANY OTHER REPRESENTATION OR WARRANTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the use by the Town of any item, product or service provided for herein.

**Section 11.2. Further Assurances and Corrective Instruments.** The Town and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be or for carrying out the intention hereof.

**Section 11.3. Town and Authority Representatives.** Whenever under the provisions hereof the approval of the Town or the Authority is required, or the Town or the Authority is required to take some action at the request of the other, such approval or such request shall be given for the Town by the Town Representative and for the Authority by the Authority Representative, and any party hereto and the Authority shall be authorized to act on any such approval or request.

**Section 11.4. Requirements of Law.** During the Lease Term, the Town and the Authority shall observe and comply promptly with all current and future laws, ordinances, orders, rules and regulations as the same become effective, of the federal, state, city and county governments and of all courts or other governmental authorities having jurisdiction over the Project or any portion thereof and of all their respective departments, bureaus and officials, and of the insurance regulatory agencies having jurisdiction over the Project, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Project or any portion thereof, whether the same are in force at the commencement of the Lease Term or may in the future be passed, enacted or directed.

**Section 11.5. Inspection of the Project.** The Town and the Authority agree that the Bondholders or their duly authorized agents shall have the right at all reasonable times to enter upon the Project and to examine and inspect the Project. The Authority and its duly authorized agents shall also be permitted, at all reasonable times, to examine the books, records, reports and other papers of the Town and the Authority with respect to the Project.

**Section 11.6. Granting of Easements.** As long as no Event of Nonappropriation or an Event of Default with respect to the Project shall have happened and be continuing, the Town may at any time or times grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in this Lease and the Master Resolution, free from the security interest afforded by or under this Lease, the Master Resolution and the Security Documents or the Town may release existing easements, license, rights of way and other rights and privileges with or without

consideration, and the Authority agrees that it shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other grant or privilege upon receipt of: (i) a copy of the instrument of grant or release; (ii) a written application signed by the Town Representative requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Project or any material portion thereof; and (iii) an opinion of Independent Counsel that such grant or release will not materially weaken, diminish or impair the security granted to the Bondholders and contemplated hereby or hereunder or under the Master Resolution or the Security Documents.

**Section 11.7. Refunding Bonds.** Refunding Bonds may be issued by the Authority in accordance with the provisions of this Section 11.7 and Section 3.8 of the Master Resolution. Prior to, or concurrently with, the issuance of and delivery of Refunding Bonds, the Authority shall pay, or make provision for the payment of, all Bonds then Outstanding (other than such Refunding Bonds) as set forth in Article IX of the Master Resolution.

**Section 11.8. Issuance of Additional Bonds.** Additional Bonds may be issued by the Authority in accordance with the provisions of Section 4.9 of the Master Resolution and with a corresponding effect on the Base Rentals and Additional Rentals due hereunder.

**ARTICLE XII**

**CONVEYANCE OF THE PROJECT**

**Section 12.1. Conveyance of the Project.** The Authority’s right and interest in and to the Project shall be transferred, conveyed and assigned by the Authority to the Town:

- (a) Upon payment by the Town of the then applicable Purchase Option Price and upon giving not less than thirty (30) days prior written notice to the Authority; or
- (b) Upon payment by the Town of all Base Rentals and Additional Rentals required to be paid under this Lease during the Original Term and each of the Renewal Terms; or
- (c) Upon the discharge of the lien of the Master Resolution under Article X thereof.

The Authority agrees to execute such documents and instruments as shall be necessary to effect a release of the security interest granted by said Master Resolution or the Security Documents upon the payment in full of the Bonds.

**Section 12.2. Conveyance on Purchase of Project.** At the closing of any purchase of the Project pursuant to the option to purchase granted in this Lease, the Authority shall, upon receipt of the Purchase Option Price, or upon the payment by the Town of all Base Rentals and Additional Rentals required, or upon discharge of the lien of the Master Resolution as the case may be, deliver

to the Town the following:

(a) If necessary, a release by the Authority of the lien under the Master Resolution and Security Documents, together with any other instrument necessary or appropriate to release any security interest granted by this Lease with respect to such Project, the Master Resolution and Security Documents.

(b) All necessary documents conveying to the Town good and marketable title to the Project as it then exists subject to the following: (i) those liens and encumbrances created by the Town or to the creation or suffering of which the Town consented; (ii) those liens and encumbrances resulting from the failure of the Town to perform or observe any of the agreements on its part contained in this Lease; and (iii) Permitted Encumbrances, other than the Master Resolution, this Lease, the Security Documents and any financing statements filed by the Authority pursuant to this Lease with respect to the Project or the Master Resolution.

**Section 12.3. Relative Position of Option and Master Resolution.** The purchase option granted to the Town in this Article XII with respect to the Project shall be and remain prior and superior to the Master Resolution and the Security Documents and may be exercised whether or not an Event of Nonappropriation or an Event of Default shall have occurred and be continuing hereunder or under the Master Resolution and the Security Documents; provided, however, that such option must be exercised before the later of (i) ninety (90) days after notification in writing by the Authority to the Town of the occurrence of an Event of Default under the Master Resolution, the Lease or the Security Documents or (ii) the ultimate disposition of the Project upon exercise of any available foreclosure remedy, and further provided that, as a condition of the exercise of such option, the Town must pay, in addition to the Purchase Option Price, any interest payment deficiencies accruing from the date of the Event of Default or Event of Nonappropriation.

**ARTICLE XIII**

**ASSIGNMENT, SUBLEASING, INDEMNIFICATION AND SELLING**

**Section 13.1. The Authority to Grant Security Interest to Bondholder.** The parties hereto agree that pursuant to the Master Resolution and the Security Documents, the Authority shall and does hereby pledge and assign to the Bondholders all of the Authority’s right, title and interest in this Lease, except the Authority’s rights to compensation from the Town for expenses of the Authority under Section 6.3(d) of this Lease, the Authority’s rights to indemnification from the Town under Section 13.3 of this Lease and the obligation of the Town to pay any attorneys’ fees and expenses incurred by the Authority under Section 14.5 of this Lease.

**Section 13.2. Assignment and Subleasing by the Town.** This Lease may not be assigned by the Town for any reason. The Town may, with the written consent of the Authority, enter into a sublease of all or portions of the Project without the necessity of obtaining the consent of any

Bondholder; subject, however, to each of the following conditions:

- (a) the Project may only be subleased or assigned to a municipality, county, district, nonprofit corporation, if those nonprofit corporations were formerly public bodies, or an agency or department of the State;
- (b) this Lease and the obligations of the Town to make payment of Base Rentals and Additional Rentals hereunder shall at all times during the Lease Term remain obligations of the Town notwithstanding any sublease;
- (c) the Town shall, prior to the execution of a sublease, furnish or cause to be furnished to the Authority a true and complete copy of each sublease;
- (d) no sublease shall cause the Project, in whole or in part, to be used for a purpose other than a governmental or proprietary public function authorized under the provisions of the Constitution and laws of the State; and
- (e) any such sublease shall be expressly subordinate to the rights of the Authority and the Bondholders under the Master Resolution, this Lease and the Security Documents.

After an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under the Lease, the Master Resolution or the Security Documents, the Authority may collect the amount of the Base Rentals and Additional Rentals allocable to any sublease from any and all sublessees.

The Authority shall be empowered, after an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under this Lease, the applicable Master Resolution or the applicable Security Documents with respect to the Project, to collect the amount of the Base Rentals and Additional Rentals allocable to any sublease from any and all sublessees, and apply the net amount collected to the Base Rentals and Additional Rentals required herein with respect to the Project, but no such collection shall be deemed a waiver of any agreement, term, covenant or condition hereof, or the acceptance of any sublessee as lessee hereunder.

**Section 13.3. Release and Indemnification Covenants.** To the extent of the Net Proceeds of the insurance coverage of the Town and the contractor’s performance and payment bonds for the Project required hereunder, the Town shall and hereby agrees to indemnify and save the Authority harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Project during the Lease Term from: (i) any condition of the Project; and (ii) any act or negligence of the Town or of any of its agents, contractors or employees or any violation of law or the breach of any covenant or warranty hereunder. The Town shall indemnify and save the Authority harmless, from and to the extent of available moneys as set forth above, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the Authority, shall defend them or either of them in any action or proceeding.

In exchange for the Town’s agreement to indemnify the Authority as provided in this Section 13.3, the Authority hereby agrees to assert any cause of action that it might have against any third parties for the benefit of the Town. Furthermore, in no event will the Authority voluntarily settle or consent to the settlement of any proceeding arising out of any claim applicable to the Project without the written consent of the Town Representative.

**Section 13.4. References to Bonds Ineffective After Bonds Paid.** Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and all fees and charges of Authority, all references in this Lease to said Bonds shall be ineffective and the Bondholders shall thereafter have no rights hereunder, saving and excepting those that shall have theretofore vested.

**Section 13.5. Installation of the Furnishings and Machinery of the Town.** The Town may from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in the Project. All such machinery, equipment and other tangible property, except any machinery, equipment and other tangible property substituted for machinery, equipment and tangible property purchased with proceeds of the Bonds as provided in Section 13.6, shall remain the sole property of the Town, in which the Authority shall have no interest and may be removed by the Town at any time; provided, however, that the Town shall be obligated to repair any damage to the Project, at its own cost and expense, resulting from any such removal.

**Section 13.6. Equipment Purchased with Proceeds of the Bonds.** Any item of equipment shall be labeled, to the extent practicable, to indicate that it is owned by the Authority, subject to the Master Resolution, the Security Documents and this Lease. Equipment of the Project financed with proceeds of the bonds may not be relocated by the Town from the Project. Any item of such equipment which shall be determined by the Town to be no longer usable in connection with the Project may be sold by the Town after written notice to the Authority and upon (i) substitution of equipment of comparable or greater value or (ii) deposit of the proceeds thereof in the Bond Fund. Upon any such sale, the equipment so sold shall be released from the Master Resolution, this Lease, the Security Documents and the security interest created thereunder and hereunder.

**ARTICLE XIV**

**EVENTS OF DEFAULT AND REMEDIES**

**Section 14.1. Events of Default Defined.** Any one of the following shall be an "Event of Default" under this Lease:

- (a) Failure by the Town to pay any Base Rentals or Additional Rentals required to be paid under Sections 6.2 and 6.3 of this Lease at the time specified therein, in the absence of an Event of Nonappropriation, for a period of five (5) days after written notice, specifying such failure and requesting that it be remedied, given to the Town by the Authority or, in any event, a failure by the Town to make such payments within fifteen (15) days after the date on which they are due; or

(b) Failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the Town by the Authority, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Authority shall not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the Town within the applicable period and diligently pursued until the default is corrected; or

(c) The Town shall abandon any material portion of the Project; or

(d) The Town's interest in this Lease or any part thereof with respect to the Project shall be assigned or transferred without the written consent of the Authority, either voluntarily or by operation of law, except as permitted hereunder; or

(e) The Town shall file any petition or institute any proceedings wherein or whereby the Town seeks to be adjudicated a bankrupt, or to be discharged from any and all of its debts or obligations, or offers to the Town's creditors to effect a composition or extension of time to pay the Town's debts, or seeks a reorganization or a readjustment of the Town's debts, or for any other similar release, or any such petition or any such proceedings of the same or similar kind or character shall be filed, or instituted or taken against the Town and the same shall not have been dismissed or otherwise resolved in favor of the Town within sixty (60) days from the filing or institution thereof.

The foregoing provisions of this Section 14.1 are subject to the following limitations: (i) the obligations of the Town to make payments of the Base Rentals and the Additional Rentals as provided in Sections 6.2 and 6.3 of this Lease shall be subject to the occurrence of an Event of Nonappropriation; and (ii) if, by reason of Force Majeure, the Town shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations of the Town contained in Article VI hereof, the Town shall not be deemed in default during the continuance of such inability. The Town agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Town from carrying out its agreement; provided, however, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Town, and the Town shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Town, unfavorable to the Town.

**Section 14.2. Remedies on Default.** Whenever an Event of Default referred to in Section 14.1 of this Lease shall have happened and be continuing, the Authority shall have the right, at its option or at the direction of the Bondholders as provided in the Master Resolution without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Immediately reenter and take possession of the Project; or



(b) Take whatever action at law or in equity may appear necessary or desirable to enforce their or its rights in and to the Project.

The obligation of the Town to vacate the Project as provided in Section 6.6 of this Lease shall also apply to an Event of Default. Any amounts collected pursuant to action taken under this Section 14.2 shall be paid into the Bond Fund and applied in accordance with the provisions of the Master Resolution.

**Section 14.3. Limitations on Remedies.** No judgment requiring a payment of money may be entered against the Town by reason of an Event of Default or an Event of Nonappropriation under this Lease. In the event the security interest created under the Master Resolution, this Lease or the Security Documents shall be foreclosed subsequent to the occurrence of an Event of Default or an Event of Nonappropriation, no deficiency judgment may be entered against the Town or the Authority.

**Section 14.4. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV.

**Section 14.5. Agreement to Pay Attorneys' Fees and Expenses.** In the event that either party hereto shall default under any of the provisions hereof and the non-defaulting party shall employ attorneys or incur other expenses for the collection of Base Rentals and Additional Rentals, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the Town under this Section 14.5 shall be subject to the availability of Town Funds.

**Section 14.6. No Additional Waiver Implied by One Waiver.** In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**ARTICLE XV**

**MISCELLANEOUS**

**Section 15.1. Lease Term.** This Lease shall remain in effect from the date hereof until the

termination of the Lease Term as provided in Section 4.2 of this Lease.

**Section 15.2. Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, addressed as follows:

If to the Authority:

Local Building Authority of Virgin Town  
P.O. Box 790008  
Virgin, Utah 84779  
Attention: President

If to the Town:

Virgin Town, Washington County, Utah  
P.O. Box 790008  
Virgin, Utah 84779  
Attention: Chairman

and if to the Bondholders, to their address as shown on the registration list kept by the Authority. A duplicate copy of any each notice, certificate or other communication given hereunder by the Authority or the Town shall also be given to the Bondholders. The Authority, the Town, and the Bondholders may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**Section 15.3. Binding Effect.** This Lease shall inure to the benefit of and shall be binding upon the Authority, the Town and their respective successors and assigns, subject, however, to the limitations contained in Sections 2.1(a), 2.2(b), 2.2(f) and 13.2 of this Lease.

**Section 15.4. Severability.** In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and in the event any provision of this Lease were to invalidate the Bonds, such provision shall be rendered invalid and unenforceable, but shall not invalidate or render unenforceable any other provision hereof.

**Section 15.5. Amounts Remaining in Bond Fund; Dissolution.** It is agreed by the parties hereto that any amounts remaining in the Bond Fund upon expiration or sooner termination of the Lease Term, as provided in this Lease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and the fees and expenses of the Authority and any paying agents in accordance with the Master Resolution, shall belong to and be paid to the Town by the Authority as an overpayment of Base Rentals and Additional Rentals. Upon dissolution of the Authority, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master

Resolution) and payment in full of other obligations of the Authority, any assets and net earnings of the Authority shall be paid to the Town in accordance with the Utah Local Building Authority Act.

**Section 15.6. Amendments, Changes and Modifications.** Subsequent to the issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Master Resolution), and except as otherwise herein expressly provided, this Lease may not be effectively amended, changed, modified, altered or terminated except as provided in the Master Resolution.

**Section 15.7. Execution in Counterparts.** This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 15.8. Net Lease.** This Lease shall be deemed and construed to be a "net lease," and the Town shall pay absolutely net during the Lease Term the Base Rentals, Additional Rentals and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff, other than those herein expressly provided.

**Section 15.9. Applicable Law.** This Lease shall be governed by and construed in accordance with the laws of the State.

**Section 15.10. Captions.** The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

**Section 15.11. No Personal Liability.** No person executing this Lease or any of the Bonds, the Master Resolution or the Security Documents shall be subject to personal liability or accountability by reason of such action or the issuance of the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Lease to be executed in its corporate name with its corporate seal hereunto affixed and attested by a duly authorized officer. The Town has executed this Lease in its name with the seal of its Secretary hereunto affixed and attested by a duly authorized officer. All of the above occurred as of the day and year first above written.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

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

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

VIRGIN TOWN,  
WASHINGTON COUNTY, UTAH

By \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

**ACKNOWLEDGMENTS**

STATE OF UTAH )  
 : SS.  
COUNTY OF WASHINGTON )

On the \_\_\_\_ of \_\_\_\_\_, 2024, personally appeared before me Jean Krause and Krystal Percival, who, being by me duly sworn (or affirmed), did say that they are the President and Secretary, respectively, of the Local Building Authority of Virgin Town, Washington County, Utah, the Utah non-profit corporation described in and which executed the foregoing instrument, and that said instrument was signed in behalf of said corporation by authority of its bylaws and a resolution of its Board of Trustees, and said Jean Krause and Krystal Percival, acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

\_\_\_\_\_  
NOTARY PUBLIC  
Residing at: Richfield, Utah  
My Commission Expires: 10-23-2027

STATE OF UTAH )  
 : SS.  
COUNTY OF WASHINGTON )

On the \_\_\_\_ day of \_\_\_\_\_, 2024, personally appeared before me Jean Krause and Krystal Percival, who, being by me duly sworn (or affirmed), did say that they are the Chairman and Secretary, respectively, of Virgin Town, Washington County, Utah, the governmental body described in and which executed the foregoing instrument, and that said instrument was signed in behalf of said governmental body by authority of a resolution of its Town, and said Jean Krause and Krystal Percival acknowledged to me that said governmental body executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

\_\_\_\_\_  
NOTARY PUBLIC  
Residing at: Richfield, Utah  
My Commission Expires: 10-23-2027

**EXHIBIT A**

The Project is described as follows:

The purchase of property for use as a town hall, public safety facility, post office and related facilities for Town purposes.

The Property is described as follows:

Parcel Nos. V-58 and V-29-A-2-A

Property Address: \_\_\_\_\_  
Virgin, UT

**EXHIBIT “B”**

Schedule of Lease Payments

<u>Base Rental Payment Date</u>	<u>Base Rental Payment</u>
January 15, 2025	\$173,928.81
January 15, 2026	\$173,928.81
January 15, 2027	\$173,928.81
January 15, 2028	\$173,928.81
January 15, 2029	\$173,928.81
January 15, 2030	\$173,928.81
January 15, 2031	\$173,928.81
January 15, 2032	\$173,928.81
January 15, 2033	\$173,928.81
January 15, 2034	\$173,928.81
January 15, 2035	\$173,928.81
January 15, 2036	\$173,928.81
January 15, 2037	\$173,928.81
January 15, 2038	\$173,928.81
January 15, 2039	\$173,928.81

When Recorded Return To:

**DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (“Deed of Trust”) is made as of the \*, 2024, by and among the Local Building Authority of Virgin Town, Washington County, Utah, a nonprofit corporation duly organized under the laws of the State of Utah (“Trustor”) whose address for purposes of this agreement is P.O. Box 790008, Virgin, Utah 84779, and Southern Utah Title Company (“Trustee”), whose place of business is 20 North Main, #300, St. George, Utah; and State Bank of Southern Utah, or any successor or successors thereof, as Bondholder (the “Beneficiary”) under a Master Resolution, dated as of \*, 2024 (the “Master Resolution”) in connection with the issuance of the \$1,800,000 Local Building Authority of Virgin Town, Washington County, Utah, Lease Revenue Bonds, Series 2024 (the “Series 2024 Bonds”).

WITNESSETH:

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably warrants, grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, under and subject to the terms and conditions hereinafter set forth, all right, title and interest in and to all the improvements on said Property and appurtenances. The interests of Trustor in the Property as described in the attached Exhibit “A” and all of the improvements and appurtenances relating thereto are collectively referred to hereinafter as the “Project”;

TOGETHER WITH all rents, issues, profits, privileges, licenses, royalties, income and other benefits derived from the Project (collectively the “rents”), subject to the right, power, and authority hereinafter given to Trustor to collect and apply such rents;

TOGETHER WITH all right, title, and interest of Trustor in and to all leases or subleases covering the Project or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits and payments of similar nature;

TOGETHER WITH all right, title and interest of Trustor in and to all options to purchase or lease the Project or any portion thereof or interest thereon, and any greater estate in the Project owned of hereafter acquired;

TOGETHER WITH all interests, estate or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Project;



TOGETHER WITH all right title and interest of Trustor in and to all easements, right-of-way and rights used in connection with or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares evidencing the same;

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Project, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Project;

TOGETHER WITH all right, title and interest of Trustor in and to any and all buildings and improvements now or hereafter erected on the Property, including, but not limited to, the fixtures, fittings, and other articles attached to said buildings and improvements (the "Improvements"), except any personal property of fixtures of any tenant; and

TOGETHER WITH all estate, interest, right, title, and other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereof, which Trustor now has or may hereafter acquire in the Project, and any and all awards made for the taking from the Trustor by eminent domain, or by any proceeding or purchase in lieu thereof, the whole or any part of the Project, including without limitation any awards resulting from a change of grade of streets and awards for severance damages; and

TOGETHER WITH all right, title and interest of Trustor in and to all tangible personal property financed or refinanced with proceeds of the Bonds (the "Personal Property") owned by Trustor and now or at any time hereafter located on or at the Project or used in connection therewith.

The entire estate, property and interest hereby conveyed to Trustee as described above may hereafter be referred to as the "Trust Estate." Notwithstanding the breadth of the foregoing, the property covered by this Deed of Trust shall include: (i) personal property which may be owned by lessees or other occupants of any portion of the Project, other than by Trustor, or which may be leased by such lessees or other occupants from a party other than Trustor; or (ii) material, equipment, tools, machinery or other personal property which has been brought upon the Project only for use in construction, maintenance or repair and which is not intended to remain after the completion of such construction, maintenance or repair, and which is not necessary for occupancy, maintenance or use of the Project, provided, however, that this provision shall not limit Trustor's right to assert a landlord's lien against a defaulting tenant.

**FOR THE PURPOSE OF SECURING:**

- (a) (1) Payment of the principal, interest and premium, if any, of the Series 2024 Bonds of Trustor issued pursuant to the Master Resolution, and payable at the times, in the manner and with interest and premium, if any, as therein set forth, and any extensions and/or renewals or modifications thereof; (2) payment of the principal, interest and premium, of any Additional Bonds or Refunding Bonds (these and all terms herein commencing with initial capital letters and not otherwise defined herein shall have meanings as defined in the Master Resolution) issued pursuant

to the Master Resolution, and payable at the times, in the manner and with interest and premium as therein set forth, and any extensions and/or renewals or modifications thereof (the Series 2024 Bonds and Additional Bonds and Refunding Bonds are collectively referred to herein as the “Bonds”); (3) the performance of each agreement of Trustor contained in the Bonds, the Master Resolution, the Lease with respect to the Project (as defined in the Master Resolution) and this Deed of Trust and any other instrument securing payment of the Bonds; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms of the Deed of Trust (including, but not limited to the payments outlined in Sections 1.11 and 1.18 of the Deed of Trust), any other instrument securing payment of the Bonds, the Master Resolution or the Lease, together with interest thereon as provided in the Master Resolution.

(b) Performance of all obligations of Trustor under the Master Resolution and each agreement of Trustor incorporated by reference therein or herein, or contained therein or herein.

(c) Payment of the sums advanced by Beneficiary to protect the Trust Estate, with interest as provided in the Master Resolution and herein.

(d) Performance of all obligations of Trustor contained in this Deed of Trust, the Bonds, the Master Resolution and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby.

(e) Payment of all other sums, with interest thereon, which may hereafter be loaned to Trustor, or its successors or assigns, by Beneficiary, when evidenced by a debt instrument reciting that they are secured by this Deed of Trust.

This Deed of Trust, the Bonds, the Master Resolution, the Lease, and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby may hereafter be referred to as the “Loan Instruments.”

TO PROTECT THIS SECURITY OF THE LOAN INSTRUMENTS TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

**ARTICLE I**

**COVENANTS AND AGREEMENTS OF TRUSTOR**

1.1. Payment of Secured Obligations. Trustor hereby covenants and agrees to pay when due the principal of, premium, if any, and the interest on, the indebtedness evidenced by the Bonds (as set forth therein), all charges, fees and all other sums as provided in the Loan Instruments, and the principal of, and interest on, any future advances secured by this Deed of Trust.

1.2. Maintenance, Repair, Alterations. Trustor hereby covenants and agrees to keep the Trust Estate or cause the Trust Estate to be kept in good condition and repair; not to remove, demolish or materially alter (except such alterations as may be required by laws, ordinances, or

regulations) any buildings or fixtures constituting part of the Improvements in such a manner as to in any way damage the Improvements or in any way reduce the fair rental value of the Improvements to less than the fair rental value of the Improvements immediately prior to such alteration; to complete promptly and in good and workmanlike manner any improvement which may be constructed on the Project and, to the extent provided in the Master Resolution and in the Lease, promptly restore in like manner any Improvements which may be damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Trust Estate or any part thereof requiring any alterations or improvements; not to commit or permit any waste or deterioration of the Trust Estate, to keep and maintain or cause to be kept and maintained, grounds, sidewalks, roads, parking and landscaped areas in good and neat order and repair; not to commit, suffer or permit any act to be done in or upon the Trust Estate in violation of any law, ordinance or regulation. Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this section, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

1.3. Required Insurance. Trustor hereby covenants and agrees to at all times provide, maintain and keep in force or cause to be kept in force such insurance as is set forth in Article IX of the Lease with respect to the Improvements.

1.4. Payment of Premiums. In the event Trustor fails to provide, maintain, keep in force or deliver and furnish to Beneficiary policies of insurance required by Article IX of the Lease, Beneficiary, in addition to all other rights it may have hereunder, including, without limitation, those set forth in Article III hereof, may, but shall not be required to, procure such insurance or single interest insurance for such risks covering Beneficiary's interest, and Trustor will pay, or cause to be paid, all premiums thereon promptly upon demand by Beneficiary, and until such payment is made by Trustor therefor the amount of all such premiums which have been paid by Beneficiary shall bear interest at a rate per annum provided in Article IX of the Lease. Trustor shall, upon Beneficiary's reasonable request, deposit, or cause to be deposited, with Beneficiary in monthly installments, an amount equal to one-twelfth of the estimated aggregate annual insurance premiums on all policies of insurance required by this Deed of Trust. Trustor further agrees, upon Beneficiary's request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements or other documents, and provided Trustor has deposited sufficient funds with Beneficiary pursuant to this Section 1.4, Beneficiary shall pay such amounts as may be due thereunder out of the funds so deposited with Beneficiary. If at any time and for any reason the funds deposited with Beneficiary are or will be insufficient to pay such amounts as then are or subsequently will be due, Beneficiary shall notify Trustor and Trustor shall immediately deposit, or cause to be deposited, an amount equal to such deficiency with Beneficiary. Notwithstanding the foregoing, nothing contained herein shall cause Beneficiary to be deemed a trustee of said funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section 1.4. Beneficiary may commingle said reserve with its own funds and Trustor shall be entitled to no interest thereon.

1.5. Insurance Proceeds. After the happening of any casualty to the Trust Estate or any part thereof, Trustor shall give prompt written notice thereof to Beneficiary.

(a) In the event of any damage or destruction of the Project, Trustor shall apply the insurance proceeds in the manner set forth in Article IX of the Lease.

(b) In the event of such loss or damage, all proceeds of insurance shall be payable pursuant to subparagraph (a) above. Except as otherwise provided in the Lease, Trustor may settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance only with written approval of Beneficiary.

(c) Except to the extent that Insurance proceeds are received by Trustor and applied to the indebtedness secured hereby, pursuant to the Master Resolution and the Lease, nothing herein contained shall be deemed to excuse Trustor from repairing or maintaining the Trust Estate as provided in Section 1.2 hereof or restoring all damage or destruction to the Trust Estate, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by Beneficiary of any insurance proceeds shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

1.6. Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Trustor in and to all policies of insurance required by this Deed of Trust shall inure to the benefit of and pass to the successor in interest to Trustor of the purchaser or grantee of the Trust Estate.

1.7. Indemnification; Subrogation; Waiver of Offset.

(a) If Beneficiary is made a party defendant to any litigation, commenced by anyone other than Trustor, concerning this Deed of Trust or the Trust Estate or any part thereof therein, or the occupancy thereof by Trustor, except in cases of fraud, gross negligence or willful misconduct on the part of Beneficiary, then Trustor shall, to the extent permitted by law, indemnify, defend and hold Beneficiary harmless from and against all liability by reason of said litigation (including any appeals) including reasonable attorneys' fees and expenses incurred by Beneficiary in any such litigation, whether or not any such litigation is prosecuted by judgement. If Beneficiary commences an action against Trustor to enforce any of the terms hereof or because of the breach by Trustor of any of the terms hereof, or for the recovery of any sum secured hereby, Trustor shall pay to Beneficiary reasonable attorneys' fees and expenses actually incurred (including Beneficiary's attorney's fees and costs associated with all appeals), and the right to such attorney's fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgement. If Trustor breaches any term of this Deed of Trust, Beneficiary may employ an attorney or attorneys to protect its rights hereunder, and in the event of such employment following any breach by Trustor,

Trustor shall pay Beneficiary reasonable attorney's fees and expenses incurred by Beneficiary (including those associated with any appeal), whether or not an action is actually commenced against Trustor by reason of breach.

(b) Trustor waives any and all right to claim or recover against Beneficiary, its officers, employees, agents and representatives, for loss or damage to Trustor, the Trust Estate, Trustor's property or the property of others under Trustor's control from any cause insured against or required to be insured against by the provisions of the Deed of Trust, unless caused by the fraud, gross negligence or willful misconduct of the Beneficiary.

(c) All sums payable by Trustor hereunder shall be paid without notice, demand, counterclaim, setoff, recoupment, deduction or defense (except payment) and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Trust Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Trust Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Project or any part thereof by title paramount or otherwise; or (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding; whether or not Trustor shall have notice or knowledge of any of the foregoing.

1.8. Taxes and Impositions.

(a) Trustor agrees to pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation non-government levies or assessments such as maintenance charges, association dues or charges or fees, and levies or charges resulting from covenants, conditions and restrictions affecting the Trust Estate, which are assessed or imposed upon the Trust Estate or become due and payable, and which create or may create a lien upon the Trust Estate, or any part thereof, or upon any equipment or other facility used by Trustor in the operation or maintenance thereof (all of which taxes, assessments and other governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, Trustor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If any time after the date hereof there shall be assessed or imposed (i) a tax or assessment in the Trust Estate in lieu of or in addition to the Impositions payable by Trustor pursuant to subparagraph (a) hereof, or (ii) a license fee, tax or assessment imposed

on Beneficiary and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all taxes, assessments, or fees shall be deemed to be included within the term "Impositions" as defined in subparagraph (a) hereof, and Trustor shall pay and discharge the same herein provided with respect to the payment of Impositions. Anything to the contrary notwithstanding, Trustor shall have no obligation to pay any franchise, estate, inheritance, income excess profits or similar tax levied on Beneficiary or on the obligations secured hereby.

(c) Trustor covenants to furnish Beneficiary within (30 ) days after the date which any such Imposition is due and payable by Trustor, official receipts of the appropriate taxing authority or other proof satisfactory to Beneficiary, evidencing the payment thereof.

(d) Trustor covenants and agrees to not suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the personal property taxes shall be assessed, levied or charged to the Trust Estate as a single lien.

(e) If requested by Beneficiary, Trustor shall cause to be furnished to Beneficiary a tax reporting service covering the Trust Estate of the type, duration and with the company satisfactory to Beneficiary.

(f) Trustor has the right to contest Impositions to the extent permitted by Section 9.3 of the Lease.

1.9. Utilities. Trustor hereby covenants and agrees to pay when due all utility charges which are incurred by Trustor for the benefit of the Trust Estate of which may become a charge or lien against the Trust Estate for gas, electricity, water or sewer services furnished to the Trust Estate and all other assessments or charges of a similar nature, whether public or private, affecting the Trust Estate or any portion thereof, whether or not such charges are liens thereon.

1.10. Actions, Affecting Trust Estate. Trustor hereby covenants and agrees to appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear.

1.11. Actions by Trustee and/or Beneficiary to Preserve Trust Estate. Should Trustor fail to make any payment or to do any act as and in the manner provided in any of the Loan Instruments, Beneficiary and/or Trustee, each in its own discretion, without obligation so to do but without releasing Trustor from any obligations, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. In connection therewith (without limiting their general powers), Beneficiary and/or Trustee shall have and are hereby given the right, but not the obligation (i) to enter upon and take possession of the Trust Estate; (ii) to make additions, alterations, repairs and improvements to the Trust Estate which they or either of them may consider necessary or proper to keep the Trust Estate in good condition and repair; (iii) to appear and

participate in any action or proceeding affecting or which may affect or appears to affect the security of the Deed of Trust (including condemnation or eminent domain proceedings) or which may result in the creation of any lien (except the lien created by the Master Resolution) against the Trust Estate; and (iv) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Trustor shall, immediately upon demand therefor by Beneficiary, pay all costs and expenses incurred by Beneficiary in connection with the exercise of Beneficiary of the foregoing rights, including without limitation, costs of evidence of title, court costs, appraisals, surveys and attorney’s fees, together with interest thereon accruing at the rate set forth in the Master Resolution.

1.12. Survival of Warranties. Subject to the limitations set forth in Section 5.9 herein, Trustor hereby covenants and agrees to fully and faithfully satisfy and perform the obligations of Trustor contained in the Loan Instruments and each agreement of Trustor incorporated by reference therein or herein, and any modification or amendment thereof. All representatives, warranties and covenants of Trustor contained therein or incorporated by reference shall survive funding of the loan evidenced by the Bonds and shall remain continuing obligations, warranties and representations of Trustor during any time when any portion of the obligations secured by this Deed of Trust remain outstanding.

1.13. Eminent Domain. Should the Trust Estate, or any material part thereof or interest therein, be taken from Trustor or damaged by reason of any public improvement or condemnation proceeding, or in any other manner (“Condemnation”), or should Trustor receive any notice or other information regarding such proceeding, Trustor shall give prompt written notice thereof to Beneficiary and all proceeds payable therefrom shall be utilized in the manner set forth in Article X of the Lease.

1.14. Additional Security. In the event Beneficiary at any time holds additional security for any of the obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after a sale is made hereunder.

1.15. Appointment of Successor Trustee. Beneficiary may, from time to time, by complying with the provisions of the application law of the State of Utah substitute a successor or successors to the Trustee named herein or acting hereunder.

1.16. Successors and Assigns. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term “Beneficiary” shall be deemed to include the Registered Owners of the Bonds and any trustee therefor, whether or not named as Beneficiary herein.

1.17. Inspections. Beneficiary, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Trust Estate for the purpose of inspecting the Trust Estate and performing any of the acts it is authorized to perform under the terms of any of the Loan Instruments.

1.18. Liens. Trustor hereby covenants and agrees to pay and promptly discharge in accordance with the terms thereof or of the indebtedness secured thereby, at Trustor's cost and expense, all liens, encumbrances and charges upon the Trust Estate, or any part thereof or interest therein; provided that the existence of any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right thereto shall not constitute which is the foundation thereof and if such contract does not postpone payment for more that 60 days after the performance thereof. Trustor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge. In the event of any such contest, the Trustor may permit the lien, encumbrance or charge so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee or Beneficiary shall notify the Trustor that, in the opinion of Independent Counsel, by nonpayment of any such items the security afforded pursuant to the Master Resolution and the Lease of the Deed of Trust will be materially endangered of the Trust Estate or any portion thereof will be subject to loss or forfeiture, in which event such lien, encumbrance or charge shall be paid forthwith. Prior to commencing such contest, Trustor shall first deposit, or cause to be deposited, with Beneficiary, or in court, a bond or other security satisfactory to Beneficiary, at Beneficiary's election, in such amounts as Beneficiary shall reasonable require, but not more than one hundred ten percent (110%) of the amount of the claim, and provided further that Trustor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If Trustor shall fail to discharge and such lien, encumbrance or charge, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, but shall not be obligated to, discharge or purchase the same, either by paying the amount to be due, or by procuring the discharge of such lien by depositing in court a bond or the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law.

1.19. Trustee's Powers. At any time, or from time to time, without liability therefor, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the affect of this Deed of Trust upon the remainder of said Trust Estate, Trustee may, (i) reconvey any part of said Trust Estate, (ii) consent in writing to the making of any map of play thereof; or (iii) join in granting any easement or lien of charge hereof.

1.20. Beneficiary's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Trust Estate not then or theretofore released as security for the full amount of all unpaid obligations, Beneficiary may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Beneficiary's option any parcel, portion or all of the Trust Estate, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto. Trustor hereby consents to the foregoing powers and rights of Beneficiary, and, to the extent permitted by law, waives any right to assert that such actions by the Beneficiary shall constitute a breach by the Beneficiary under this Deed of Trust, under any of the Loan Instruments or under applicable law.



**ARTICLE II**

**ASSIGNMENT OF RENTS, ISSUES AND PROFITS**

2.1. Assignment of Rents. Trustor hereby assigns and transfers to Beneficiary all the rents, issues, and profits of the Trust Estate, and hereby gives to and confers upon Beneficiary the right, power and authority to collect such rents, issues and profits. Trustor irrevocably appoints Beneficiary at any time and from time to time, to demand, receive and enforce payment, to endorse instruments payable to Trustor, and to give receipts, releases and satisfactions for all such rents, issues and profits and apply the same to the indebtedness secured hereby; provided, however, that Trustor shall have the right to collect such rents, issues and profits (but not more than twelve months in advance) prior to or at any time there is not an event of default under any of the Loan Instruments. The assignment of the rents, issues and profits of the Trust Estate in this Article II is intended to be an absolute assignment from Trustor to Beneficiary and not merely the passing of a security interest.

2.2. Collection Upon Default. Upon any event of default under any of the Loan Instruments, and after the passage of any applicable grace period, Beneficiary may, at any time without notice, either in person, by agent or by receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Trust Estate, or any part thereof, and in its own name sue for or otherwise collect such rents, issues and profits of the Trust Estate, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The collection of rents, issues and profits, or the entering upon and taking possession of the Trust Estate, or the application thereof as aforesaid, shall not cure or waive any default, or notice of sale hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Failure or discontinuance by Beneficiary at any time or from time to time to collect any rents, issues or profits shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same.

**ARTICLE III**

**SECURITY AGREEMENT**

3.1. Creation of Security Interest. Trustor hereby grants to Beneficiary a security interest in the Personal Property for the purpose of securing all obligations of Trustor contained in any of the Loan Instruments or herein. This Deed of Trust shall be deemed the Security Agreement as defined in the Uniform Commercial Code of Utah and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) as provided by general law, or (iii) as to such part of the security which is also reflected in any financing statement or statements (the "Financing Statement") as provided by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Statement of (1)

the rights in or the proceeds of any fire and/or hazard insurance, (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the Trustor's interest as lessor in any present or future lease of rights to income growing out of the use and/or occupancy of the premises shall never be constructed as in any wise altering any of the rights of Beneficiary as determined by this Deed of Trust or impugning the priority of the Beneficiary's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of Beneficiary in the event any court or judge shall at any time with respect to (1), (2) or (3) rule that notice of Beneficiary's priority of interest to be effective against a particular class of persons, divisions or entity of Federal Government, must be filed in the Uniform Commercial Code records.

3.2. Warranties, Representations and Covenants of Trustor. Trustor hereby warrants, represents and covenants as follows:

Trustor is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for the Permitted Encumbrances defined in the Lease and except for the security interest granted hereby. Trustor will notify Beneficiary of, will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein.

Trustor will not sell the Personal Property without the prior written consent of Beneficiary unless said personal property is promptly replaced by personal property of like quality and value.

The Personal Property is not used or bought for personal, family or household purposes.

The Personal Property (with the exception of funds held by Beneficiary) will be kept on or at the Project and, except as otherwise provided in the Lease, Trustor will not remove the Personal Property from the Project without the prior written consent of Beneficiary, except such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Trustor.

Trustor maintains a place of business in the State of Utah and Trustor will immediately notify Beneficiary in writing of any change in its place of business as set forth in the beginning of this Deed of Trust.

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

All covenants and obligations of Trustor contained herein relating to the Trust Estate shall be deemed to apply to the Personal Property whether or not expressly referred to herein.

**ARTICLE IV**

**REMEDIES UPON DEFAULT**

4.1. Events of Default. Any of the following events shall be deemed an event of default hereunder.

(a) Default shall be made in the payment of any installment of principal or interest or any other sum secured hereby; or

(b) There shall occur an Event of Default set forth in Section 11.1 of the Master Resolution, or 14.1 of the Lease or any other default under any of the Loan Instruments, including but not limited to any breach in the due observance or performance of any covenant, condition or agreement contained therein.

4.2. Acceleration Upon Default, Additional Remedies. Time is of the essence hereof. In the event of any event of default hereunder, Beneficiary may declare all indebtedness secured hereby to be due and payable by written notice to the Trustor as outlined in Section 11.2 of the Master Resolution and the same shall thereupon become due and payable without presentment, demand, protest or notice of any kind. Thereafter Beneficiary may exercise any or all of the following remedies, or any other remedies which Beneficiary is entitled to under any of the Loan Instruments or applicable law:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or a part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorney's fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Estate or the collection, receipt and application of rents, issues or profits, Trustee and/or Beneficiary shall be entitled to exercise every right provided for in any event of default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; and/or

(c) Cause Trustor's interest in the Trust Estate to be sold by the Trustee under

the power of sale set forth herein.

4.3. Foreclosure by Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust and such receipts and evidence of expenditures made and secured hereby as Trustee may require; provided, however, that the Trustee shall notify the Trustor of the Event of Default and of the Trustor's right to a 90-day notice of its option to purchase the Project as more fully outlined in Section 11.2 of the Master Resolution.

(a) Upon receipt of such notice from Beneficiary, Trustee shall exercise on behalf of Beneficiary the power of sale granted herein by complying with all requirements of applicable law. Trustee shall execute and deliver to the purchaser and purchasers of the Trust Estate its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers from claims arising by, through or under the Trustor.

(b) After deducting all costs, fees and expenses of Trustee and of this trust, including, but not limited to, attorney fees and costs of evidence of title in connection with the sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest per annum as set forth in the Master Resolution; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the county clerk of the county in which the sale took place.

(c) The person conducting the sale may, for the cause such person deems expedient, postpone the sale in accordance with Utah law and, in every case, notice of such postponement shall be given by public declaration by such person at the same time and place last appointed for the sale.

4.4. Foreclosure as Mortgage. Should Beneficiary elect to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages on real property, Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court, including all appeals. To the extent permitted by law, Beneficiary shall be entitled to possession of the Project during any redemption period allowed under the laws of the State of Utah.

4.5. Appointment of Receiver. If any event of default described in Section 4.1 of this Deed of Trust shall occurred and be continuing, Beneficiary, as a matter of right and without notice to Trustor or to anyone claiming under Trustor, and without regard to the value of the Trust Estate or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Trust Estate, and the Trustor hereby consents to such

appointments and waives notice of any application therefor. Any such receiver shall have all the usual powers and duties of receivers in like or similar cases and all powers and duties of Beneficiary in case of entry as provided in Section 4.2(a) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Trust Estate unless such receivership is sooner terminated. Beneficiary's right under this section shall be in addition to , and not limitation of, Beneficiary's rights under Section 2.2 and 4.2(a) of this Deed of Trust.

4.6. Remedies Not Exclusive. Trustee and Beneficiary, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Deed of Trust, under any Loan Instrument or other agreement, and under any laws now or hereafter in force, notwithstanding that some or all of the said indebtedness and obligation secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, shall be entitled to enforce this Deed of Trust in such order and manner as they or either of them in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Trustee or Beneficiary or to which either if they maybe otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies.

4.7. Request for Notice. Trustor hereby requests a copy of any Notice of Default of Notice of Sale hereunder be mailed to it at the address set forth in the first paragraph of the Deed of Trust.

**ARTICLE V**

**MISCELLANEOUS**

5.1. Governing Law; Severability of Provisions of Loan Instruments; Waivers, etc. This Deed of Trust shall be governed by the laws of the State of Utah. In the event that any provision of any of the Loan Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the parties against whom enforcement of any waiver, change, discharge or termination is sought.

5.2. Limitation of Interest. It is the intent of Trustor and Beneficiary in the execution of this Deed of Trust and the Bonds and all other instruments securing the Bonds to contract in strict

compliance with the laws of the State of Utah governing the loan evidenced by the Bonds. In furtherance thereof, Trustor stipulates and agrees that none of the terms and provisions contained in the Loan Instruments shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Utah governing the loan evidenced by the Bonds. Trustor or any guarantor, endorser or other party now or hereafter becoming liable for the payment of the Bonds at a rate in excess the maximum interest that may be lawfully charged under the laws of the State of Utah and the provisions of this Section shall control over all other provisions of the Bonds and any other instrument executed in connection herewith which may be in apparent conflict herewith. In the event any holder of the Bonds shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on Bonds to a rate in excess of that permitted to be charged by the laws of the State of Utah, all such sums deemed to constitute interest in excess of the legal rate shall be immediately returned to the Trustor upon such determination.

5.3. Statements by Trustor. Trustor, within ten (10) days after receiving a request from Beneficiary, will furnish to Beneficiary a written statement stating that the unpaid principal and any interest on the Bonds and any other amounts secured by this Deed of Trust and stating whether any offset or defense exists against such principal and interest.

5.4. Reconveyance by Trustee. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment by Trustor of Trustee’s fees, Trustee shall reconvey to the person or persons legally entitled thereto, without warranty, any portion of the Trust Estate then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as “the person or persons legally entitled thereto.”

5.5. Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only in the same is delivered by personal service of four (4) days after being mailed by registered or certified mail, postage prepaid, return receipt requested addressed to the address set forth at the beginning of this Deed of Trust. Any party may at the time its change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

5.6. Acceptance by Trustee. Trustee shall be deemed to have accepted this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

5.7. Captions. The captions or headings at the beginning of each Section hereof are for convenience of the parties and are not part of this Deed of Trust.

5.8. No Merger. If both the Trustor’s and Beneficiary’s estates in any portion of the Trust

Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger, and in such and event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estates pursuant to the provisions hereof, any leases or subleases the existing and created by Trustor shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure sale shall so elect. No elect by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

5.9. Limited Right of Bondholders Against the Trustor. Notwithstanding anything else contained herein to the contrary, the rights of the Trustee, Beneficiary and the Bondholders are subject to the terms and provisions of the Master Resolution and the Lease, in particular but not limited to Article XII of the Lease and Article XII of the Master Resolution. Additionally, no deficiency judgement upon foreclosure may be entered against Trustor, the Trustor, the State of Utah or any of its political subdivisions.

5.10. No Waiver. Failure on the part of beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default or acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver of any other subsequent default.

5.11. Severability. The terms and provisions of this Deed of Trust are intended to be preformed in accordance with, and only to the extent permitted by, applicable law. If any provision hereof, or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this instrument nor the application of such provision to other persons or circumstances shall be affected thereby, but rather, the same shall be enforced to the greatest extent permitted by law.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

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

ATTEST AND COUNTERSIGN:

\_\_\_\_\_

Secretary

(SEAL)

STATE OF UTAH )  
 : ss  
COUNTY OF WASHINGTON )

On the \_\_\_\_ day of \_\_\_\_\_, 2024, personally appeared before me Jean Krause and Krystal Percival, being by me duly sworn (or affirmed), did say that they are the President and Secretary, respectively, of the Local Building Authority of Virgin Town, Washington County, Utah, a Utah non-profit corporation described in and which executed the foregoing instrument, and that said instrument was signed in behalf of said corporation by authority of its bylaws and a resolution of its Board of Trustees, and said Jean Krause and Krystal Percival, acknowledged to me that said corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: 10-23-2027  
Residing At: Richfield, Utah



**EXHIBIT "A"**

That certain Real Property located in Washington County, Utah, to wit:

Parcel Nos. V-58 and V-29-A-2-A