



## CITY COUNCIL MEETING AGENDA

**Mayor Logan Monson**  
Mayor Pro Tempore Cheryl Bowers  
Council Member Chris Ewald  
Council Member Len Gasser  
Council Member Erik Grover  
Council Member Kellen Nielson

**Tuesday, November 8, 2022 at 7:00pm**  
50 West 100 South Street,  
Blanding Utah 84511  
**Meetings are live streamed at:**  
[www.youtube.com/channel/UCPzWdnJDcNhH31kvTjJ9N3w](http://www.youtube.com/channel/UCPzWdnJDcNhH31kvTjJ9N3w)

Notice is hereby given that the City Council of Blanding, Utah will hold a Regular Council Meeting on November 8, 2022 at 7:00 pm at the City Office, located at 50 W. 100 S. Street.

### POLICY MEETING

- I. Call to Order
- II. Roll Call
- III. Prayer or Thought  
Anyone in attendance is invited to notify the Mayor prior to the meeting if they would like to offer a prayer or thought.
- IV. Pledge of Allegiance
- V. Approval: Consent Agenda and Minutes from October 25, 2022
- VI. Declaration of Conflicts of Interest

### Public Input

Anyone wishing to address the Council on any item is invited to do so. Public Input is an opportunity for the public to bring information to the Council. Clarifying questions may be asked by the Council, but it is not an appropriate time for substantive discussion.

### Reports

1. Mayor
2. City Council
3. City Manager, David Johnson Pg. 8
4. Financial Report, Kim Palmer Pg. 9
5. Recreation Report, David Palmer Pg. 16
6. Water Report, Terry Ekker Pg. 18
7. Police Report, Chief JJ Bradford Pg. 21

### Municipal Building Authority Agenda

1. Resolution 11.08.2022-1 - Lease Revenue Bond, David Johnson Pg. 23
  - a. 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 Municipal Building Authority of Blanding City, San Juan County, Utah Lease Revenue Bond, Series 2023 to finance the cost of safety renovations to the Wellness Center; 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 Project to be funded by the Bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated.

### Regular Meeting Business Agenda

1. Resolution 11.08.2022-1- Lease Revenue Bond, David Johnson Pg. 159
  - a. 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 Municipal Building Authority of Blanding City, San Juan County, Utah Lease Revenue Bond, Series 2023 to finance the cost of safety renovations to the Wellness Center; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated.
2. Resolution 11.08.2022-2 - Airport AWOS Contract, Bret Hosler Pg. 170

### Closed Session

Possible closed session for the purpose of discussing pending or reasonably imminent litigation; to discuss the character, professional competence, or physical or mental health of an individual; to discuss collective bargaining; or to discuss the purchase, exchange, sale or lease of real property. *Utah Code 52-4-205*

### Adjournment

*In compliance with the ADA, individuals needing special accommodations during this meeting may call the City Offices at (435) 678-2791 at least twenty-four hours in advance. Every effort will be made to provide the appropriate services. One or more members may participate in the meeting electronically, according to Blanding City Ordinance 1-5-5-F regarding electronic meeting participation. All agenda times are approximate.*



**CITY COUNCIL MEETING MINUTES**

**Council in Attendance:**

Mayor Logan Monson  
Council Member Cheryl Bowers  
Council Member Chris Ewald  
Council Member Len Gasser  
Council Member Erik Grover  
Council Member Kellen Nielson

**Tuesday, October 25, 2022 at 7:00pm**  
50 West 100 South Street,  
Blanding Utah 84511

**Meetings are live streamed at:**

**Staff Members in Attendance:**

City Manager - David Johnson  
City Finance Director - Kim Palmer  
City Engineer - Terry Ekker

City Police - Chief Bradford  
City Fire Chief - Chief Spillman  
City Community Dev. Dir. - Bret Hosler

**Others:** Diane Bradford, David Bradford,  
Nicole Bradford, Monica Jacobsen, Chas  
Jacobsen

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Prayer was offered by Kellen Nielson

Declaration of Conflict: None

1. The Pledge of Allegiance was recited.
2. **Councilmember Nielson moved to approve the minutes of the October 11, 2022 City Council Meeting and consent agenda. Councilmember Gasser seconded the motion. Mayor Monson repeated the motion and asked for discussion. Hearing none, he called for a vote.**

**Those voting Aye:** Councilmember Ewald  
Councilmember Gasser  
Councilmember Grover  
Councilmember Nielson

**Those voting Nay:** None

**Those abstaining:** None

**Constituting all members thereof, Mayor Monson declared the motion carried.**

**PUBLIC INPUT**

1. Monica Jacobsen expressed concerns over the City's policy change regarding full-time employees who are also firefighters. She questioned the process and legalities of the

change.

2. Chas Jacobsen expressed his concerns regarding his position as Assistant Fire Chief and the new policy change being discussed that will no longer allow him to serve on the department. He questioned why the discussions regarding him were being held without his presence. He has been with the department for 10 years and sees no new conflict with his full-time position with the City.

## REPORTS

### 1. Mayor Monson

None

### 2. City Council

Councilmember Gasser reported that the first Airport Advisory Committee meeting had been held recently.

Councilmember Bowers asked if Council would be interested in joining with the Monticello City Council in a letter regarding the recent emails published between the County Commission and two outside entity lawyers. Council expressed support for the letter.

Councilmember Nielson reported that the historical committee had met recently. Toni Turk has resigned from the committee.

### 3. City Manager

Mr. Johnson reported that the bonding process for the funding from CIB is currently being completed. There may be a need to run the process through the Municipal Building Authority. More information will follow on this.

There have been no applications received for the Justice Court Judge position. There has to be 9 to complete the application process. The time for application has been extended.

The RFP for the General Plan closes on Friday.

### 4. Staff Reports

#### a. Finance/Council Report - Kim Palmer

Ms. Palmer reported that all expenses were approved in the budget.

#### b. Public Works Report - Terry Ekker

*West Water Power/Water Project* - Mr. Ekker reported that the power project has been completed. The community system was energized on September 1, 2022.

The bid opening for the deep well occurred on October 20th. Preliminary results with a recommendation to award, will be given to Council during the first meeting in November.

*Street Maintenance Project* - A chip seal project is scheduled for 2023.

*Tantalus AMI Project* - The service contract has been signed. The initial phase of the project will include the deployment of system software, repeaters and 300 electric meters. Other phases, including a customer portal, will follow.

*Natural Gas Master Plan Update* - The RFP submittal deadline is November 10th.

A recommendation to award the contract is expected to take place at the November 22nd Council meeting.

*UAMPS Update* - Mr. Ekker gave a report on the Steel Solar project, the decommissioning of the San Juan project, Muddy Creek and the Carbon Free Power Project (CFPP). In discussing the CFPP he told Council that it is anticipated that the economic competitive test being conducted next month will show an increase in the cost of a megawatt from the project. That is anticipated to be about \$50. The cost increase will be a result of both inflation and interest rates.

**c. Fire Quarterly Report - Chief Spillman**

In a discussion regarding the number of firefighters the department has and the number of those responding, Chief Spillman told the Council that on average 5 firefighters are responding. The number of those responding has seen a decline since 2020. The lack of firefighters is inhibiting the ability to receive certification training, which requires at least 10 participants. The decline in participation may be the result of several firefighters who have young families making it difficult to get to training and even emergency calls.

**d. Police Report - Chief Bradford**

Chief Bradford told Council that after reviewing the logistics of shutting down roads on 100 West on Halloween, that it was not going to be possible. The City does not have the officers to do this. Councilmember Grover stated that the City would not want the liability associated with it either. Councilmember Gasser stated that most of the people he has spoken to just request more law enforcement presence in the area. Chief Bradford told Council that he has scheduled more help for that evening.

## PRESENTATIONS

**1. Retirement of Diane Bradford as Justice Court Clerk - Mayor Monson**

Mayor Monson presented Ms. Bradford a plaque recognizing her 27 years of employment with the City as the Justice Court Clerk. He stated she has worked with 6 judges during her time as the Clerk and has done an excellent job.

**2. Utah State University Wellbeing Survey - Courtney Flint**

Courtney Flint from Utah State University, briefly shared information collected in the recent wellbeing survey conducted in the City. 207 surveys were collected. The survey respondents stated that recreational activities were a high priority and major concerns included water supply, access to quality food, affordable housing and continued access to public lands. The entire survey is available online at [usu.edu/utah-wellbeing-project/](http://usu.edu/utah-wellbeing-project/)

## BUSINESS ITEMS

**1. Certification of FY22 Financial Audit - Kim Palmer**

Ms. Palmer discussed the FY2022 Financial Audit report stating that the City's net position had increased by 10% over last year's numbers. The increase is due to the conservative nature of the spending philosophy, increase in sales tax and ARPA funds. The City was able to set aside approximately \$233,000 in savings for the different departments and approximately \$320,000 in general capital project savings. She continued to report that long-term debt had decreased by \$768,183 during the year. There were no compliance

findings in the audit. Ms. Palmer also shared that three recommendations made by the auditors are in the process of being implemented. Electronic timesheet and invoice processes will be in place by the end of the fiscal year. Also, 1099 firefighters will be transitioned to W2 employees beginning January 1st.

**Councilmember Bowers moved to Certify the FY2022 Financial Audit. Councilmember Grover seconded the motion. Mayor Monson repeated the motion and asked for discussion. Hearing none, he called for a vote.**

<b>Those voting Aye:</b>	<b>Councilmember Bowers Councilmember Ewald Councilmember Gasser Councilmember Nielson Councilmember Grover</b>
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<b>Those voting Nay:</b>	<b>None</b>
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<b>Those abstaining:</b>	<b>None</b>
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**Constituting all members thereof, Mayor Monson declared the motion carried.**

#### **CLOSED SESSION**

**Councilmember Nielson moved to enter a closed session for personnel. Councilmember Ewald seconded the motion. Mayor Monson repeated the motion and asked for discussion. Hearing none, he called for a vote.**

<b>Those voting Aye:</b>	<b>Councilmember Bowers Councilmember Ewald Councilmember Gasser Councilmember Grover Councilmember Nielson</b>
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<b>Those voting Nay:</b>	<b>None</b>
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<b>Those abstaining:</b>	<b>None</b>
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**Constituting all members thereof, Mayor Monson declared the motion carried.**

Council entered a Closed Session at 8:21 p.m.

**Councilmember Grover moved to re-enter the open session. Councilmember Ewald seconded the motion. Mayor Monson repeated the motion and asked for discussion. Hearing none, he called for a vote.**

<b>Those voting Aye:</b>	<b>Councilmember Bowers Councilmember Ewald Councilmember Gasser Councilmember Grover Councilmember Nielson</b>
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<b>Those voting Nay:</b>	<b>None</b>
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<b>Those abstaining:</b>	<b>None</b>
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**Constituting all members thereof, Mayor Monson declared the motion carried.**

Council re-entered the open session at 9:38 p.m.

**ADJOURNMENT**

**Councilmember Grover moved to adjourn the meeting. Councilmember Gasser seconded the motion. Mayor Monson repeated the motion and asked for discussion. Hearing none, he called for a vote.**

<b>Those voting Aye:</b>	<b>Councilmember Bowers Councilmember Ewald Councilmember Gasser Councilmember Grover Councilmember Nielson</b>
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<b>Those voting Nay:</b>	<b>None</b>
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<b>Those abstaining:</b>	<b>None</b>
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**Constituting all members thereof, Mayor Monson declared the motion carried.**

Council adjourned the meeting at 9:40 p.m.

By:

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Kim Palmer, City Deputy Recorder



# City Council Project Status Report - 11.08.2022

Project	Status	Notes
Wellness Center Sprinkler System & Showers	Ongoing	<p>The City was approved for a bond with the CIB. The bond must go through the Municipal Building Authority. The City Council is the board. Today's meeting the Resolution must be approved and then present it in a public hearing at the first meeting in December.</p> <p>The funding is for a \$341,000 revenue bond at 2% interest and \$29,000 in grant. The City will contribute \$150,000 from capital savings. We were also approved for the \$50,000 grant through the USDA Community Facilities grant.</p>
Deep Well	Ongoing	<p>The MOU was approved and the City Council approved the acceptance of the funding. The next step is the water conveyance agreement. This may take a couple of months to draft and review, and will come to City Council for feedback and approval.</p>
Parks, Recreation, Trails & Open Space Master Plan	Ongoing	<p>The consultant is continuing to work on their analysis.</p>
CDBG Grant	Submitted	<p>The City's application was recommended for approval. Staff is now preparing the RFP to send out.</p>
Swallow's Nest	Ongoing	<p>Staff is currently working on laying the gravel.</p>
UDOT TPA Grant for General Plan	Ongoing	<p>Staff received three proposals and is currently reviewing. A recommendation to accept one of the proposals in December.</p>



## CITY COUNCIL MEETING - STAFF REPORT

**Author:** Kim Palmer, Finance Director  
**Department:** Finance  
**Subject:** Accounts Payable Report - Oct 18 - Nov 2, 2022  
**Date:** November 8, 2022  
**Type of Item:** Report

### Department Review

1. Invoice Register
  - a. All expenses are within the approved FY2023 budget.

If you have any questions, I would be happy to meet with you to discuss them..

**City of Blanding**  
**Invoice Register - 10/18/2022 to 11/2/2022 - All Invoices**

11/2/2022

<u>Invoice No.</u>	<u>Vendor</u>	<u>Check No.</u>	<u>Ledger Date</u>	<u>Due Date</u>	<u>Amount</u>	<u>Account No.</u>	<u>Account Name.</u>	<u>Description</u>
343967	Aflac	0	10/30/2022	10/30/2022	\$1,623.79			
					1,623.79	102226	HEALTH INSURANCE PAYABL	HEALTH INSURANCE
13425-10272022	AIRMED CARE NETWORK	51861	10/27/2022	10/27/2022	\$44.00			
					44.00	102226	HEALTH INSURANCE PAYABL	YEARLY LIFE FLIGHT INSURA
10252022	BLANDING CITY	51881	10/25/2022	10/25/2022	\$12,596.13			
					148.73	1046270	Airport UTILITIES	250 W FREEDOM WAY
					201.50	1050270	Econ Dev & Visitor Cntr UTILITI	12 N GRAYSON PKWY
					481.82	1050270	Econ Dev & Visitor Cntr UTILITI	12 N GRAYSON PKWY - WATE
					51.27	1050270	Econ Dev & Visitor Cntr UTILITI	12 N GRAYSON PKWY - PIONE
					415.50	1052270	Police UTILITIES	POLICE STATION UTILITIES
					261.08	1053270	Fire UTILITIES	360 W 200 S FIRE DEPT
					130.56	1053270	Fire UTILITIES	360 W 200 S FIRE DEPT EXPA
					726.54	1060270	Streets UTILITIES	567 W 550 N - SHOP NEW
					23.37	1065270	ParksRec UTILITIES	OUT OF CITY LIMITS - 3 RD R
					37.39	1065270	ParksRec UTILITIES	GOLF COURSE
					24.72	1065270	ParksRec UTILITIES	900 S 300 W 4 PLEX RESTRO
					362.94	1065270	ParksRec UTILITIES	200-300 S 100 W LLEAGUE PA
					66.84	1065270	ParksRec UTILITIES	TENNIS COURT
					4,276.35	1065270	ParksRec UTILITIES	1090 S 100 W 4 PLEX - RAW W
					216.57	1065270	ParksRec UTILITIES	1095 S 100 W
					26.07	1065270	ParksRec UTILITIES	3030 N RESERVOIR RD
					23.37	1065270	ParksRec UTILITIES	OCL/GOLF COURSE WATER
					358.49	1065270	ParksRec UTILITIES	900 S 300 W 4 PLEX RESTRO
					318.74	1065270	ParksRec UTILITIES	550 S MAIN - SOUTH PARK
					2,323.08	1066270	Wellness Center UTILITIES	1013 S 300 W - WELLNESS CE
					75.79	5140270	UTILITIES	MILLION GALLON TANK PUMP
					27.69	5140270	UTILITIES	OCL BY SMITHS FIELDS
					33.29	5140270	UTILITIES	VISITOR CENTER WELL #2
					1,038.96	5140270	UTILITIES	TREATMENT PLANT UTILITIES
					22.00	5140270	UTILITIES	161 S MAIN - G&H WATER
					34.59	5140270	UTILITIES	50 W 100 S - JAIL
					25.70	5140270	UTILITIES	CENTER ST - PALMERS WATE
					25.70	5140270	UTILITIES	120 S MAIN - CB'S
					25.12	5240270	UTILITIES	260 W 1600 S - PUMP STATION
					51.10	5240270	UTILITIES	LLEAGUE BOOSTER PUMP ST
					43.97	5240270	UTILITIES	N HWY 191 - JOHN IMLAY SE
					100.15	5240270	UTILITIES	491 S 650 W WHITE ROCKS P
					25.44	5240270	UTILITIES	198 E 200 S
					29.42	5240270	UTILITIES	141 E 800 S - LIFT STATION
					399.37	5340270	UTILITIES	50 W 100 S - OFFICE
					47.02	5440270	UTILITIES	NATURAL GAS BORDER STATI
					115.89	5440270	UTILITIES	153 S 400 W - OLD SHOP
10202022	Blanding City Misc	2	10/20/2022	10/20/2022	(\$210.41)			
					-210.41	532290	CUSTOMER DEPOSITS	Offset Unclaimed Property - per
1218	CEDAR CANYON ENTERPRISES	51863	10/26/2022	10/26/2022	\$942.73			
					942.73	4040740	CAPITAL OUTLAY	SWALLOWS NEST REPAIRS
22J0897	CHEMTECH-FORD LABORATORIES	ACH.1024221115.52	10/20/2022	10/20/2022	\$82.00			
					82.00	5140250	EQUIPMENT - SUPPLIES & M	WATER TESTING
6737	COUNTRY COMFORT LLC	ACH.1101221050.8017	10/26/2022	10/26/2022	\$160.00			
					160.00	1065250	ParksRec EQUIPMENT - SUPP	PARK PORTA POTTY'S
6738	COUNTRY COMFORT LLC	ACH.1101221050.8017	10/26/2022	10/26/2022	\$160.00			
					160.00	1065250	ParksRec EQUIPMENT - SUPP	PARK PORTA POTTY'S

**City of Blanding**  
**Invoice Register - 10/18/2022 to 11/2/2022 - All Invoices**

11/2/2022

<u>Invoice No.</u>	<u>Vendor</u>	<u>Check No.</u>	<u>Ledger Date</u>	<u>Due Date</u>	<u>Amount</u>	<u>Account No.</u>	<u>Account Name.</u>	<u>Description</u>
6739	COUNTRY COMFORT LLC	ACH.1101221050.8017	10/26/2022	10/26/2022	\$80.00			
					80.00	1065250	ParksRec EQUIPMENT - SUPP	PARK PORTA POTTY'S
	<b>Vendor Total:</b>				<b>\$400.00</b>			
06302021	EFTPS	0	10/19/2022	10/19/2022	(\$32.14)			
					-32.14	5340250	EQUIPMENT - SUPPLIES & M	EFTPS Rounding Adjustment
10202022	EFTPS	1	10/20/2022	10/20/2022	\$43.34			
					43.34	5340250	EQUIPMENT - SUPPLIES & M	Clear duplicate
PR102522-502	EFTPS	0	10/31/2022	10/31/2022	\$29,164.22			
					17,302.82	102221	FEDERAL TAX / FICA PAYABLE	Social Security Tax
					4,046.68	102221	FEDERAL TAX / FICA PAYABLE	Medicare Tax
					7,814.72	102221	FEDERAL TAX / FICA PAYABLE	Federal Income Tax
	<b>Vendor Total:</b>				<b>\$29,175.42</b>			
11012022	EMERY TELCOM	1	11/1/2022	11/1/2022	\$79.95			
					79.95	1053280	Fire TELEPHONE	INTERNET SERVICE
10272022	EMPIRE ELECTRIC ASSOCIATION	51864	10/27/2022	10/27/2022	\$36.00			
					36.00	5340270	UTILITIES	ELECTRIC SERVICE
10272022-1	EMPIRE ELECTRIC ASSOCIATION	51864	10/27/2022	10/27/2022	\$38.96			
					38.96	5340270	UTILITIES	ELECTRIC SERVICE
	<b>Vendor Total:</b>				<b>\$74.96</b>			
2238	ETJ LAW INC	51865	10/26/2022	10/26/2022	\$2,925.00			
					2,400.00	1042310	Court PROFESSIONAL/TECHN	PROSECUTOR
					525.00	1045310	Attorney PROFESSIONAL/TEC	INVOICE
2264	ETJ LAW INC	51865	10/26/2022	10/26/2022	\$2,422.50			
					2,137.50	1042310	Court PROFESSIONAL/TECHN	PROSECUTOR
					285.00	1045310	Attorney PROFESSIONAL/TEC	INVOICE
	<b>Vendor Total:</b>				<b>\$5,347.50</b>			
10312022	HEALTH EQUITY - HSA	2	10/31/2022	10/31/2022	\$193.02			
					193.02	102226	HEALTH INSURANCE PAYABL	HEALTH EQUITY PAYMENT HS
PR102522-7854	HEALTH EQUITY - HSA	2	10/31/2022	10/31/2022	\$2,302.18			
					1,737.18	102226.1	HSA PAYABLE	Health Savings Plan - Employer
					565.00	102226.1	HSA PAYABLE	Health Savings Plan Employee
	<b>Vendor Total:</b>				<b>\$2,495.20</b>			
10182022	JOHNSON, DAVID S	51846	10/18/2022	10/18/2022	\$570.25			
					570.25	1044230	Admin TRAVEL	CIB/ULCT/BEARS EARS MEETI
11012022	LEWIS, CADE	51866	11/1/2022	11/1/2022	\$986.00			
					986.00	1050480	Econ Dev & Visitr Cntr OTHER	FALL FESTIVAL STRAW
2137	LYLE NORTHERN ELECTRIC INC	51867	10/27/2022	10/27/2022	\$1,060.00			
					1,060.00	1046260	Airport BUILDINGS - SUPPLIES	CHANGE PAPI LIGHT SOCKET
Refund: 5533432	LYMAN TRAILER COURT		11/1/2022	11/1/2022	\$375.12			
					375.12	531310	ACCOUNTS RECEIVABLE	Refund: 553343286 - LYMAN T
823094	MOTOR PARTS	51848	10/19/2022	10/19/2022	\$32.28			
					32.28	1060250	Streets EQUIPMENT - SUPPLI	EQUIP & SUPPLIES
823152	MOTOR PARTS	51848	10/19/2022	10/19/2022	\$27.99			
					27.99	1060250	Streets EQUIPMENT - SUPPLI	EQUIP & SUPPLIES
823527	MOTOR PARTS	51868	10/25/2022	10/25/2022	\$23.69			
					23.69	1060250	Streets EQUIPMENT - SUPPLI	EQUIP & SUPPLIES
823528	MOTOR PARTS	51868	10/25/2022	10/25/2022	\$11.69			
					11.69	1060250	Streets EQUIPMENT - SUPPLI	EQUIP & SUPPLIES

**City of Blanding**  
**Invoice Register - 10/18/2022 to 11/2/2022 - All Invoices**

11/2/2022

<u>Invoice No.</u>	<u>Vendor</u>	<u>Check No.</u>	<u>Ledger Date</u>	<u>Due Date</u>	<u>Amount</u>	<u>Account No.</u>	<u>Account Name.</u>	<u>Description</u>
823958	MOTOR PARTS	51868	10/31/2022	10/31/2022	\$27.99	1060250	Streets EQUIPMENT - SUPPLI	EQUIP & SUPPLIES
823961	MOTOR PARTS	51868	10/31/2022	10/31/2022	\$33.68	1060250	Streets EQUIPMENT - SUPPLI	EQUIP & SUPPLIES
823980	MOTOR PARTS	51868	10/31/2022	10/31/2022	\$13.99	1060250	Streets EQUIPMENT - SUPPLI	EQUIP & SUPPLIES
	<b>Vendor Total:</b>				<b>\$171.31</b>			
INV24349	MOUNTAIN STATES PIPE & SUPPLY	51869	10/24/2022	10/24/2022	\$1,328.81	5440250	EQUIPMENT - SUPPLIES & M	METER, PIPE, SUPPLIES
CR1267	PACKARD WHOLESALE CO	ACH.1101221050.167	10/31/2022	10/31/2022	(\$16.54)	1066260	Wellness Center BUILDINGS -	CLEANING SUPPLIES
INV195916	PACKARD WHOLESALE CO	ACH.1024221115.167	10/19/2022	10/19/2022	\$20.96	5340250	EQUIPMENT - SUPPLIES & M	CLEANING SUPPLIES
INV196386	PACKARD WHOLESALE CO	ACH.1101221050.167	10/26/2022	10/26/2022	\$230.72	1066250	Wellness Center EQUIPMENT -	VENDING SUPPLIES
					205.36	1066260	Wellness Center BUILDINGS -	CLEANING SUPPLIES
	<b>Vendor Total:</b>				<b>\$235.14</b>			
2215	PLATINUM FITNESS EQUIPMENT	51870	10/24/2022	10/24/2022	\$123.00	1066250	Wellness Center EQUIPMENT -	EQUIPMENT REPAIR
10202022	REDD FAMILY TRUST	51871	10/24/2022	10/24/2022	\$150.00	5340250	EQUIPMENT - SUPPLIES & M	ELECTRIC UPGRADE - 488 N 2
865621	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/18/2022	10/18/2022	\$2.99	5140250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
865697	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/19/2022	10/19/2022	\$31.57	1050260	Econ Dev & Visitor Cntr BUILDI	SUPPLIES AND EQUIP
865714	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/19/2022	10/19/2022	\$22.65	5140250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
865752	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/19/2022	10/19/2022	\$26.98	1060250	Streets EQUIPMENT - SUPPLI	SUPPLIES AND EQUIP
865879	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/21/2022	10/21/2022	\$20.58	1065250	ParksRec EQUIPMENT - SUPP	SUPPLIES AND EQUIP
865966	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/24/2022	10/24/2022	\$22.98	5140250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
865972	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/24/2022	10/24/2022	\$33.57	1060250	Streets EQUIPMENT - SUPPLI	SUPPLIES AND EQUIP
865975	REDD'S ACE HARDWARE	ACH.1024221115.6056	10/24/2022	10/24/2022	\$25.58	1060250	Streets EQUIPMENT - SUPPLI	SUPPLIES AND EQUIP
866051	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/25/2022	10/25/2022	\$65.96	5240250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
866053	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/25/2022	10/25/2022	\$11.99	5240250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
866055	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/25/2022	10/25/2022	\$6.59	5240250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
866067	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/25/2022	10/25/2022	\$17.90	5440250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
866071	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/25/2022	10/25/2022	\$11.99	5140480	OTHER SPECIAL DEPART SU	WEED CONTROL FOR RESER

**City of Blanding**  
**Invoice Register - 10/18/2022 to 11/2/2022 - All Invoices**

11/2/2022

<u>Invoice No.</u>	<u>Vendor</u>	<u>Check No.</u>	<u>Ledger Date</u>	<u>Due Date</u>	<u>Amount</u>	<u>Account No.</u>	<u>Account Name.</u>	<u>Description</u>
866162	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/26/2022	10/26/2022	\$139.99	5140480	OTHER SPECIAL DEPART SU	WEED CONTROL FOR RESER
					139.99			
866185	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/27/2022	10/27/2022	\$20.95	5340250	EQUIPMENT - SUPPLIES & M	SUPPLIES AND EQUIP
					20.95			
866211	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/27/2022	10/27/2022	\$39.97	1060250	Streets EQUIPMENT - SUPPLI	SUPPLIES AND EQUIP
					39.97			
866221	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/27/2022	10/27/2022	\$48.74	1065250	ParksRec EQUIPMENT - SUPP	SUPPLIES AND EQUIP
					48.74			
866222	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/27/2022	10/27/2022	\$8.97	1065250	ParksRec EQUIPMENT - SUPP	SUPPLIES AND EQUIP
					8.97			
866330	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/25/2022	10/25/2022	\$9.99	1060250	Streets EQUIPMENT - SUPPLI	SUPPLIES AND EQUIP
					9.99			
866340	REDD'S ACE HARDWARE	ACH.1101221050.6056	10/25/2022	10/25/2022	\$44.99	1065250	ParksRec EQUIPMENT - SUPP	SUPPLIES AND EQUIP
					44.99			
	<b>Vendor Total:</b>				<b>\$614.93</b>			
0893156-IN	RELADYNE WEST LLC	51872	10/19/2022	10/19/2022	\$60.79	1060250	Streets EQUIPMENT - SUPPLI	HYDRAULIC OIL
					60.79			
0893232-IN	RELADYNE WEST LLC	51872	10/19/2022	10/19/2022	\$82.72	1060250	Streets EQUIPMENT - SUPPLI	HYDRAULIC OIL
					82.72			
0895247-IN	RELADYNE WEST LLC	51872	10/19/2022	10/19/2022	\$82.71	1060250	Streets EQUIPMENT - SUPPLI	HYDRAULIC OIL
					82.71			
	<b>Vendor Total:</b>				<b>\$226.22</b>			
10282022	SAN JUAN COUNTY ECONOMIC DEV	51873	10/28/2022	10/28/2022	\$250.00	1050310	Econ Dev & Visitor Cntr PROFE	BUSINESS EVENT SPONSOR
					250.00			
10282022	SAN JUAN HIGH SCHOOL	51874	10/28/2022	10/28/2022	\$800.00	1065360	ParksRec FOOTBALL EXPENS	FOOTBALL OFFICIALS
					800.00			
161960	SAN JUAN RECORD INC	ACH.1101221050.5307	10/26/2022	10/26/2022	\$75.60	5440250	EQUIPMENT - SUPPLIES & M	LEGAL NOTICE NG MASTER P
					75.60			
2825	TRI-HURST CONSTRUCTION	51878	10/25/2022	10/25/2022	\$640.80	4040740	CAPITAL OUTLAY	CITY OFFICE HAIL DAMAGE
					640.80			
2826	TRI-HURST CONSTRUCTION	51878	10/25/2022	10/25/2022	\$23,148.85	4040740	CAPITAL OUTLAY	SCOREKEEPER HAIL DAMAG
					23,148.85			
2827	TRI-HURST CONSTRUCTION	51878	10/25/2022	10/25/2022	\$110.00	4040740	CAPITAL OUTLAY	WELLNESS CENTER HAIL DA
					110.00			
2829	TRI-HURST CONSTRUCTION	51878	10/25/2022	10/25/2022	\$18,423.28	4040740	CAPITAL OUTLAY	SCOREKEEPER HAIL DAMAG
					18,423.28			
	<b>Vendor Total:</b>				<b>\$42,322.93</b>			
10252022	UAMPS	51879	10/25/2022	10/25/2022	\$204,775.39	5340255	ELECTRIC PURCHASES	ELECTRIC PURCHASES SEPT
					204,775.39			
PR102522-277	UTAH STATE RETIREMENT	1	10/31/2022	10/31/2022	\$26,525.03	102225	RETIREMENT PAYABLE	Retirement
					21,929.56	102225	RETIREMENT PAYABLE	401k
					4,295.47	102225	RETIREMENT PAYABLE	Roth IRA - URS
					300.00			
10202022	UTAH STATE TAX COMMISSION	1	10/20/2022	10/20/2022	(\$5,661.46)	1044130	Admin EMPLOYEE BENEFITS	CLEARING - DUPLICATE PYM
					-5,661.46			
PR102522-281	UTAH STATE TAX COMMISSION	51859	10/31/2022	10/31/2022	\$5,407.80	102223	STATE WITHHOLDING PAYAB	State Income Tax
					5,407.80			

**City of Blanding**  
**Invoice Register - 10/18/2022 to 11/2/2022 - All Invoices**

11/2/2022

<u>Invoice No.</u>	<u>Vendor</u>	<u>Check No.</u>	<u>Ledger Date</u>	<u>Due Date</u>	<u>Amount</u> (\$253.66)	<u>Account No.</u>	<u>Account Name.</u>	<u>Description</u>
	<b>Vendor Total:</b>							
10202022	UTAH STATE TREASURER	0	10/20/2022	10/20/2022	\$316.29			
					22.54	103510	COURT FINES/FOREFEITURE	TRANSFER UNCLAIMED FUN
					293.75	532290	CUSTOMER DEPOSITS	TRANSFER UNCLAIMED FUN
10252022	WASTE MANAGEMENT	51880	10/25/2022	10/25/2022	\$24,442.81			
					24,442.81	5740310	PROFESSIONAL/TECHNICAL	TRASH REMOVAL
	<b>Total:</b>				<b>\$357,746.44</b>			
					29,164.22	102221	<b>GL Account Summary</b>	
					5,407.80	102223	FEDERAL TAX / FICA PAYABLE	
					26,525.03	102225	STATE WITHHOLDING PAYAB	
					1,860.81	102226	RETIREMENT PAYABLE	
					2,302.18	102226.1	HEALTH INSURANCE PAYABL	
					22.54	103510	HSA PAYABLE	
					4,537.50	1042310	COURT FINES/FOREFEITURE	
					-5,661.46	1044130	Court PROFESSIONAL/TECHN	
					570.25	1044230	Admin EMPLOYEE BENEFITS	
					810.00	1045310	Admin TRAVEL	
					1,060.00	1046260	Attorney PROFESSIONAL/TEC	
					148.73	1046270	Airport BUILDINGS - SUPPLIES	
					31.57	1050260	Airport UTILITIES	
					734.59	1050270	Econ Dev & Visitor Cntr BUILDI	
					250.00	1050310	Econ Dev & Visitor Cntr UTILITI	
					986.00	1050480	Econ Dev & Visitor Cntr PROFE	
					415.50	1052270	Econ Dev & Visitr Cntr OTHER	
					391.64	1053270	Police UTILITIES	
					79.95	1053280	Fire UTILITIES	
					533.62	1060250	Fire TELEPHONE	
					726.54	1060270	Streets EQUIPMENT - SUPPLI	
					523.28	1065250	Streets UTILITIES	
					5,734.85	1065270	ParksRec EQUIPMENT - SUPP	
					800.00	1065360	ParksRec UTILITIES	
					328.36	1066250	ParksRec FOOTBALL EXPENS	
					8.82	1066260	Wellness Center EQUIPMENT -	
					2,323.08	1066270	Wellness Center BUILDINGS -	
					<b>80,615.40</b>		Wellness Center UTILITIES	
							<b>Total</b>	
					43,265.66	4040740	CAPITAL OUTLAY	
					130.62	5140250	EQUIPMENT - SUPPLIES & M	
					1,283.72	5140270	UTILITIES	
					151.98	5140480	OTHER SPECIAL DEPART SU	
					<b>1,566.32</b>		<b>Total</b>	
					84.54	5240250	EQUIPMENT - SUPPLIES & M	
					275.20	5240270	UTILITIES	
					<b>359.74</b>		<b>Total</b>	
					375.12	531310	ACCOUNTS RECEIVABLE	
					83.34	532290	CUSTOMER DEPOSITS	
					203.11	5340250	EQUIPMENT - SUPPLIES & M	
					204,775.39	5340255	ELECTRIC PURCHASES	
					474.33	5340270	UTILITIES	
					<b>205,911.29</b>		<b>Total</b>	
					1,422.31	5440250	EQUIPMENT - SUPPLIES & M	

**City of Blanding**  
**Invoice Register - 10/18/2022 to 11/2/2022 - All Invoices**

11/2/2022

<u>Invoice No.</u>	<u>Vendor</u>	<u>Check No.</u>	<u>Ledger Date</u>	<u>Due Date</u>	<u>Amount</u>	<u>Account No.</u>	<u>Account Name.</u>	<u>Description</u>
					162.91	5440270	UTILITIES	
					<b>1,585.22</b>		<b>Total</b>	
					24,442.81	5740310	PROFESSIONAL/TECHNICAL	
					<b>\$357,746.44</b>		<b>GL Account Summary Total</b>	



## CITY COUNCIL MEETING - STAFF REPORT

**Author:** David Palmer  
**Department:** Recreation Department  
**Subject:** General information on the Parks & Recreation  
**Date:** November 2nd 2022  
**Type of Item:** Monthly Information

### **Background:**

We just finished Tackle Football

We are now ready to start Girls Basketball games

We are now taking registrations for Boys Basketball

We have finished winterizing all parks, facilities and Main & Center street



**November 2022 Recreation Report**

	<b>2022 # of participants</b>	<b>2022 Revenue</b>	<b>2021 # of participants</b>	<b>2021 Revenue</b>
T-Ball	71	\$2,840.00	80	\$3,200.00
Girls Machine Pitch	35	\$1,400.00	38	\$1,520.00
Boys Machine Pitch	71	\$2,840.00	63	\$2,520.00
Girls Softball - Totals	108	\$7,020.00	82	\$5,330.00
Boys Baseball -Totals	134	\$8,710.00	136	\$8,840.00
Swim Team	35	\$1,400.00	22	\$880.00
Boys Basketball	91	\$5,550.00	89	\$4,450.00
Girls Basketball	64	\$3,520.00	65	\$3,250.00
Soccer	240	\$13,200.00	235	\$11,750.00
Flag Football	43	\$2,150.00	39	\$1,560.00
Tackle Football	89	\$7,565.00	88	\$6,600.00
Youth Volleyball	102	\$5,100.00	116	\$5,800.00
Wellness Center	2022 Annuals	2022 Monthly's	2021 Annuals	2021 Monthly's
October	1,442	42	1,428	58
October	2022-2023	2021-2022	2020-2021	2019-2020
Operating Revenue	\$73,357.34	\$64,126.04	\$56,522.41	\$69,874.25
*Operating Expenses	\$139,948.44	\$135,515.80	\$130,239.16	\$145,138.54

(\*Figures do not include \$50,000 bond payment)

**Recreation:**

- Tackle Football season is finished.
- We will start Girls Basketball games this week
- We are now taking registrations for Boys Basketball

**Parks:**

- All Parks have been winterized
- Main & Center Street and all facilities have been winterized

**Wellness Center:**

- The Wellness Center is starting to really pick up with the colder weather coming on
- We had **2,325** recorded "member" visits during October..
- We had **254** visits from patrons without a membership.
- Year to date total recorded entries **44,165**



## CITY COUNCIL MEETING - STAFF REPORT

**Author:** Terry Ekker, City Engineer  
**Department:** Public Works  
**Subject:** October 2022 Water Report  
**Date:** November 08, 2022  
**Type of Item:** Report

### Background

Monthly water report for Mayor and Council.

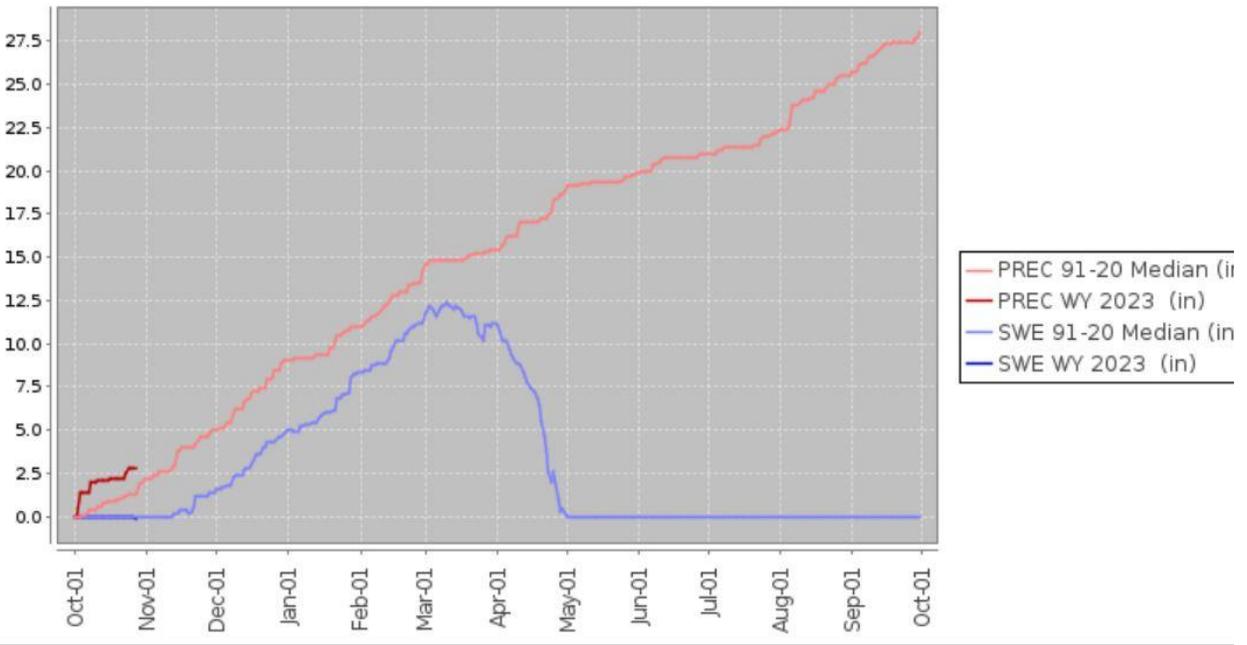
### Budget Impact

N/A

### Department Review

We have had a great start to the new water year and are running just above average.

tion (383) WATERYEAR=2023 (Daily) NRCS National Water and Climate Center - Provisional Data - subject to revisio  
 Thu Oct 27 09:20:39 GMT-08:00 2022



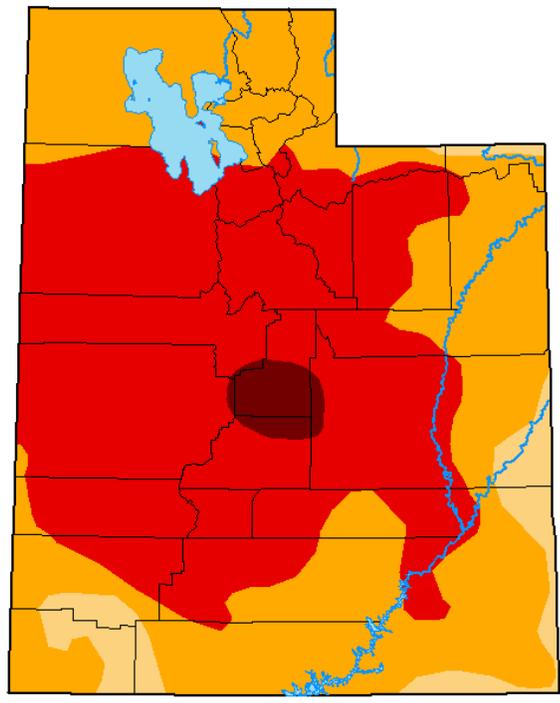
I have also included a graphic showing the current drought situation below.





U.S. Drought Monitor  
Utah

October 25, 2022  
(Released Thursday, Oct. 27, 2022)  
Valid 8 a.m. EDT



- Intensity:
- None
  - D0 Abnormally Dry
  - D1 Moderate Drought
  - D2 Severe Drought
  - D3 Extreme Drought
  - D4 Exceptional Drought

*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>*

Author:

Adam Hartman  
NOAA/NWS/NCEP/CPC



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

**Recommendation**

We have had great monsoonal moisture this summer/fall. The drought monitor is showing improvement for San Juan County. The majority of the county is now in the D2 Severe Drought category.

**Attachments**

October 2022 Water Report.



# City of Blanding Monthly Water Report



October 2022  
Reported in Acre Feet

Reservoir	Total Reservoir Capacity	Required Consrvn Capacity	Total Usable Capacity	City Share of Total Capacity	Current Reservoir Volume	Unused City Storage	City Share of Current Volume	City Share of Volume 2021	City Share of Volume 2020
Starvation	500	0	500	500	184	316	184	245	363
4th Reservoir	2,350	250	2,100	2,100	1,340	1,010	1,090	1,240	1,498
3rd Reservoir	250	50	200	200	80	120	30	0	60
Drywash	500	100	400	0	110	0	0	0	0
Recapture	8,444	2,500	5,944	800	2,350	800	0	0	0
<b>Total</b>	12,044	2,900	9,144	3,600	4,064	2,246	1,304	1,485	1,921

	Gallons/Per Day	Acre Feet Month
Pipeline Flow	525,566	50.0

	Gallons	Acre Feet Month
Monthly Total Treated	14,337,444	44.00
Monthly Total Pumped	Well A	0.00
	Well B	0.00
	Well C	0.00
Total Montly Treated and Pumped		44.00

Notes:  
Annual Precipitation is at 107.7% of average

Month to Month Reconciliation Upper System	
Beginning Reservoirs Storage	1,324.00
Plus Water Taken From Pipeline	50.00
Plus Water Taken From Ditch	0.00
Plus Water Pumped from Recapture	0.00
Plus Water to System from Irrigation Shares	0.00
Less Water Treated	44.00
Less Water Sold Third Parties	0.00
Less Raw Water Tap Sales	17.72
Less Water Loaned Irrigation Agreement	0.00
Less Evap/Ditch/Theft/Backwash losses	8.28
Ending Reservoir Storage	1,304.00



## CITY COUNCIL MEETING - STAFF REPORT

**Author:** JJ Bradford  
**Department:** Police  
**Subject:** Monthly report  
**Date:** November 8, 2022  
**Type of Item:** Information

Sgt. Hillhouse and Officers McDonald, Palmer and Stewart all attend a 3 day Sex Crimes Investigation class taught by the state in Moab. Officers also did monthly tracking training. Theft cases are up considerably this month and we had 9 cases involving some type of violence (Domestic Violence and or Assaults). Halloween was busy with assaults, underage drinking and citizen assists. The long awaited (16 months) new patrol car is nearly outfitted and should be in service within a week or so.

October 2022 Police Department Statistics				
Incidents by type		2022 VS 2021		
Property Damage	2	2022 Total Arrests/Charges		12
Assault	4	2022 Total Citations Issued:		60 w/84 violations
911 Hang up	1	2022 Total Incidents:		70
Trespassing	2	2021 Total Arrests/Charges		14
Protective Order Violation	1	2021 Total Citations Issued:		118
Theft	7	2021 Total Incidents:		98
Officer Report/Information	3			
Warrant	1	Trainings: Sgt. Hillhouse & Ofrs McDonald, Palmer and Stewart all attended a 3 day course on Sex Crime Investigation.		
Juvenile Problem	1			
D.U.I	1			
Theft	1			
Dead Body	1	<b>Statistics by Officer</b>		
Drug	5	<u>Chief JJ Bradford</u>		
Public Relation	1	Arrest/Charges	-	
Intoxication	2	Citations:	6 w/ 10 violation	
Family Fight/ Domestic	5	Incidents:	13	
Welfare Check	4			
Harassment	4	<u>Sgt. Jared Hillhouse</u>		
Citizen Assist	3	Arrest/Charges	-	
Traffic Accident PD	3	Citations:	7 w/ 8 violation	
Suspicious	3	Incidents:	8	
Disorderly Conduct	3			
Civil Standby	1	<u>Officer Trey McDonald</u>		
Burglary	1	Arrest/Charges	8	
Animal Problem	3	Citations:	15 w/ 29 violations	
Traffic Offense	1	Incidents:	17	
Unsecure Premises	1			
Found Property	1	<u>Officer Cole Palmer</u>		
Fraud	1	Arrest/Charges	3	
Abandoned Vehicle	1	Citations:	20 w/ 23 violations	
		Incidents:	13	
		<u>Officer Tell Stewart</u>		
		Arrest/Charges	1	
		Citations:	12 w/ 14 violations	
		Incidents:	10	
		<b>Dog incidents: 3 dog calls, 4 dogs picked up and returned to owners</b>		

Blanding, Utah

November 8, 2022

The Board of Trustees (the "Board") of the Municipal Building Authority of Blanding City, San Juan County, Utah (the "Authority") pursuant to due notice met in Regular Public Session at its regular meeting place, the Blanding City Office, 50 West 100 South, Blanding, Utah, at 7:00 o'clock p.m. on Tuesday, the 8th day of November, 2022, with the following members of the Board being present, constituting a quorum of the Board:

<u>Name</u>	<u>Title</u>
Logan Monson	President
Cheryl Bowers	Trustee
Chris Ewald	Trustee
Len Gasser	Trustee
Eric Grover	Trustee
Kellen Nielson	Trustee

Also Present:

David S. Johnson	Secretary
_____	_____

Absent:

\_\_\_\_\_

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 November 8, 2022, 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 SAN JUAN        )

I, DAVID S. JOHNSON, the undersigned, the duly appointed, qualified and acting Secretary of the Municipal Building Authority of Blanding City, San Juan County, Utah (the “Authority”) do hereby certify, according to the records of the Authority in my official possession and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202(1), Utah Code Annotated, 1953, as amended, I gave not less than 24 hours public notice of the agenda, date, time and place of the November 8, 2022, General Public Meeting held by the Board of the Authority, by:

(a) causing a Notice of Regular Meeting to be posted at the principal office of the Board at the Blanding City Office in Blanding, Utah, on November 7, 2022, at least 24 hours before the convening of the meeting, in the form attached hereto as Exhibit A; said Notice of Regular Meeting having continuously remained so posted and available for public inspection during the regular office hours of the Board until the convening of the meeting; and

(b) causing a copy of the Notice of Regular Meeting in the form attached hereto as Exhibit A to be provided on November 7, 2022, at least 24 hours before the convening of the meeting to the San Juan Record, a newspaper of general circulation within the geographic jurisdiction of the Authority and to each local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the Board.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed or imprinted hereon the official seal of the Authority, this 8th day of November, 2022.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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 Municipal Building Authority of Blanding City, will hold a Regular Meeting on Tuesday, the 8th day of November, 2022, at its regular meeting place, the Blanding City Office, 50 West 100 South, Blanding, Utah, at the hour of 7:00 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 Municipal Building Authority of Blanding City, San Juan County, Utah Lease Revenue Bond, Series 2023 to finance the cost of safety renovations to the Wellness Center; 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 Project 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 7th day of November, 2022.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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: Cheryl Bower  
Chris Ewald  
Len Gasser  
Erik Grover  
Kellen Nielson

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 MUNICIPAL BUILDING AUTHORITY OF BLANDING CITY, SAN JUAN COUNTY, UTAH AUTHORIZING AND APPROVING THE EXECUTION BY THE AUTHORITY OF AN ANNUALLY RENEWABLE LEASE AGREEMENT, BY AND BETWEEN THE AUTHORITY AND BLANDING CITY, SAN JUAN COUNTY, UTAH (THE “CITY”); AUTHORIZING THE ISSUANCE AND SALE OF ITS LEASE REVENUE BOND, SERIES 2023 (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 SAFETY RENOVATIONS TO THE WELLNESS CENTER; 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, Blanding City, San Juan County, Utah (the “City”) has previously authorized and directed the creation of the Municipal Building Authority of Blanding City (the “Authority”) pursuant to the provisions of a Resolution adopted on July 23, 1991 (the “Creating Resolution”); and

WHEREAS, pursuant to the direction of the Mayor and City 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 City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the Authority intends to construct safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements (the “Project”); and

WHEREAS, the City desires to lease, as lessee on an annually renewable basis, the Wellness Center to be used by the City 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 City as lessee; and

WHEREAS, the Project is to be leased to the City, 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 “A” (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 2023 in the principal amount not to exceed \$600,000 (the “Series 2023 Bond”) pursuant to this Resolution and a Master Resolution (the “Master Resolution”), in substantially the form presented to this meeting and attached hereto as Exhibit “B”, the Authority proposes to secure its payment obligations under the Series 2023 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 “C” (collectively the “Security Documents”) for the benefit of the holders of the Series 2023 Bond; and

WHEREAS, the Series 2023 Bond shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the City on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing power; and

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

WHEREAS, the State of Utah Permanent Community Impact Fund Board (the “Purchaser”) has offered to purchase the Series 2023 Bond and the Authority desires to sell the Series 2023 Bond; and

WHEREAS, the Mayor and City Council, by its Resolution dated November 8, 2022 (the “City Resolution”) shall authorize, approve and direct the execution of the Lease and shall authorized the issuance of the Series 2023 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 Project 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 2023 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 2023 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 MUNICIPAL BUILDING AUTHORITY OF BLANDING CITY AS FOLLOWS:

**Section 1.** All action heretofore taken (not inconsistent with the provisions of this Resolution, the City Resolution or the Creating Resolution) by the Governing Board and by the officers of the Authority directed toward the issuance of the Series 2023 Bond are hereby ratified, approved and confirmed.

**Section 2.** The Governing Board hereby authorizes, approves and directs the leasing of the Project to the City 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 “A”, 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 “A” 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 “B” 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 “B” 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 2023 Bond, and for such other purposes as may be

authorized under the Master Resolution, the Authority shall issue the Series 2023 Bond which shall be designated the “Municipal Building Authority of Blanding Lease Revenue Bond, Series 2023.”

**Section 6.** The Authority hereby authorizes the issuance of the Series 2023 Bond in an amount not to exceed \$600,000 at interest rates not to exceed 3.0% per annum, to mature in not more than thirty-five (35) years from its date or dates, and the sale of the Series 2023 Bond to the State of Utah Permanent Community Impact Fund Board (the “Purchaser”). The Series 2023 Bond 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 2023 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 2023 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 2023 Bond, to place thereon the seal of the Authority and to deliver the Series 2023 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 2023 Bond and to authenticate the Series 2023 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 designated 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 “C” attached hereto for and on behalf of the Authority.

**Section 8.** The designated 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 City 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 2023 Bond.

**Section 9.** Upon the issuance, the Series 2023 Bond will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2023 Bond and the Master Resolution. No provision of this resolution or of the Lease, the Master Resolution, the Security Documents, the Series 2023 Bond, or any other instrument, shall be construed as creating a general obligation of the City, or as incurring or creating a charge upon the general credit of the City or its taxing powers. As specified by the City in the City Resolution, the City 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 2023 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 City on any annual renewal date thereof in accordance with the provisions of such Lease.

**Section 10.** The designated 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 City Resolution, the Creating Resolution or any resolution adopted by the City 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 2023 Bond, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the City or the Authority. The designated 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 2023 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 2023 Bonds.

**Section 14.** The designated officials of the Issuer are authorized to make any alterations, changes or additions to the Master Resolution and the Series 2023 Bonds or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2023 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 2023 Bond by the holders thereof from time to time, the obligations and undertakings of the City 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 2023 Bond and the City 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 2023 Bond or the City until the Series 2023 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 2023 Bond is delivered to the Purchaser and upon receipt of payment therefore, this Resolution shall be and remain irrevocable until the Series 2023 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 December 13, 2022, to receive input from the public with respect to the issuance of the Bonds and any potential economic 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 San Juan Record, 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 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 Public Hearing and Bonds to be Issued in substantially the following form:

**NOTICE OF PUBLIC HEARING**

PUBLIC NOTICE IS HEREBY GIVEN that on November 8, 2022, the Board of Trustees of the Municipal Authority of Blanding City, San Juan County, Utah (the "Issuer"), adopted a resolution (the “Resolution”) declaring its intention to issue its Lease Revenue Bonds (the “Bonds”) pursuant to the Utah 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 December 13, 2022, at the hour of 7:00 p.m. The location of the public hearing is in the City Office, 50 West 100 South, Blanding, Utah. The purpose of the meeting is to receive input from the public with respect to the issuance of the Bonds and any potential economic impact to the private sector from the construction of safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements (the “Project”) to be funded by the Bonds. All members of the public are invited to attend and participate.

DATED this 8th day of November, 2022.

\_\_\_\_\_  
/s/ David S. Johnson  
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 November 8, 2022, the Board of Trustees of the Municipal Building Authority of Blanding City, San Juan County, Utah (the “Issuer”), adopted a



**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 Municipal Building Authority of Blanding City, San Juan County, Utah, this 8th day of November, 2022.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

STATE OF UTAH                    )  
                                          : SS.  
COUNTY OF SAN JUAN        )

I, DAVID S. JOHNSON, hereby certify that I am the duly appointed, qualified and acting Secretary of the Municipal Building Authority of Blanding City.

I further certify that the above and foregoing instruments constitutes a true and correct copy of the minutes of a regular meeting of the Board of Trustees of said Authority, including a Resolution adopted at said meeting held on November 8, 2022, as said minutes and Resolution are officially of record in my possession, and that a copy of the said Resolution was deposited in my office on November 8, 2022.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Authority this 8th day of November, 2022.

\_\_\_\_\_  
Secretary

(SEAL)

EXHIBIT "A"

LEASE

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

EXHIBIT "B"

MASTER RESOLUTION

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

EXHIBIT "C"

SECURITY DOCUMENTS

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

MASTER RESOLUTION  
OF  
MUNICIPAL BUILDING AUTHORITY OF  
BLANDING CITY,  
SAN JUAN COUNTY, UTAH  
AS ISSUER  
DATED AS OF \*, 2023

## MASTER RESOLUTION

WHEREAS, Blanding City, San Juan County, Utah (the “City”) has previously authorized and directed the creation of the Municipal Building Authority of Blanding City, San Juan County, Utah (the “Authority”) pursuant to the provisions of a Resolution dated July 23, 1991 (the “Creating Resolution”); and

WHEREAS, pursuant to the direction of the Mayor and City Council of the City (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 City 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 City 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 City and the Authority desire to finance the cost of safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements (the “Project”); and

WHEREAS, the Authority now desires to finance such Project through the issuance of its Lease Revenue Bonds, Series 2023 (the “Series 2023 Bonds”); and

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

WHEREAS, under the provisions of a Resolution of the City adopted on November 8, 2022

(the “City Resolution”), the City 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 2023 Bonds hereunder; and

WHEREAS, pursuant to the provisions of a Resolution adopted on November 8, 2022 (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 2023 Bonds hereunder; and

WHEREAS, it has been determined by the City 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 2023 Bonds in the total principal amount of \$341,000 as hereinafter provided; and

WHEREAS, the Authority has determined that the Series 2023 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 2023 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 2023 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 2023 Bonds in registered form are to be in substantially the appropriate form set forth in Exhibit “A” and if issued as Exchange Bonds are to be in substantially the appropriate form set forth in Exhibit “B” hereto, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Series 2023 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 2023 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 City 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 2023

Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW THEREFORE, be it resolved by the Governing Board of the Municipal Building Authority of Blanding City, San Juan 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 Municipal Building Authority of Blanding City, San Juan County, Utah.

“Bond” or “Bonds” means collectively the Series 2023 Bonds, and any Additional Bonds and Refunding Bonds issued hereunder.

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

“Bond Fund” means the bond fund established under Section 6.2 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.

“CIB” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“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 City, the CIB, and the Escrow Agent.

“Event of Default” means any occurrence or event specified in and defined by Section 10.1 hereof.

“Exchange Bonds” means the fully registered Series 2023 Bonds issued in substantially the appropriate form set forth in Exhibit “B”, in exchange for the State Bond representing the Series 2023 Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof.

“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 of 1974, 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 \*, 2023, between the Authority, as lessor, and the City, as lessee, and any amendments and supplements thereto.

“Original Issue Date” means the initial delivery date of the Series 2023 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 3.3, Section 3.7, Section 3.8, Section 3.9 and Section 4.5 hereof; and
- (d) Bonds deemed paid under Article IX of this Master Resolution.

“Paying Agent” with respect to the Series 2023 Bonds means the Treasurer of the Authority, and his/her successors.

“Principal Payment Date” means each October 1 commencing October 1, 2024.

“Project” means financing the cost of safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements for City 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 2023 Bonds means the Secretary of the Authority, and his/her successors.

“Reserve Fund Requirement” means, with respect to the Series 2023 Bonds, the maximum annual debt service on the Series 2023 Bonds (i.e., \$66,440), which amount shall be built up, pursuant to the terms of the Lease and this Master Resolution, in six installments of approximately \$2,617 beginning on October 1, 2024.

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

“Series 2023 Bonds or Bond” means the Authority’s Lease Revenue Bonds, Series 2023 issued in the aggregate principal amount of \$341,000 and bearing interest at the rate of two percent (2.0%) per annum on the unpaid principal amount.

“State Bond or Bonds” means the single fully registered Series 2023 Bond issued in substantially the appropriate forms set forth in Exhibit “A”.

“City” means Blanding City, San Juan County, Utah.

## ARTICLE II

### THE SERIES 2023 BONDS

Section 2.1. Authorized Amount of Bonds. No Series 2023 Bonds may be issued under the provisions of this Master Resolution except in accordance with this Article. The total principal amount of Series 2023 Bonds that may be issued is hereby expressly limited to \$341,000 except as provided in Section 3.3, Section 3.4, Section 3.7, Section 3.8, Section 3.9 and Section 4.5 thereof.

Section 2.2. Issuance of Series 2023 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 2023 Bonds, the Authority hereby authorizes the issuance of its Series 2023 Bonds in the principal amount of \$341,000. The Series 2023 Bonds shall be issued (i) if issued as State Bonds, in substantially the

form set forth in Exhibit "A" and (ii) if issued as Exchange Bonds, in substantially the form set forth in Exhibit "B", in fully registered form, shall bear interest and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2023 Bonds shall be in the denomination of \$1,000 or any integral multiple thereof. The Series 2023 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2023 Bonds shall be designated as, and shall be distinguished from Bonds of all other Series by the title, "Municipal Building Authority of Blanding City, San Juan County, Utah Lease Revenue Bond, Series 2023."

The Series 2023 Bond shall be dated the Original Issue Date shall accrue interest from October 1, 2023, on the unpaid principal balance at the rate of two percent (2.0%) per annum and shall mature on the dates and in the amounts as follows:

<u>Payment Date</u>	<u>Total Principal Series 2023 Bond</u>	<u>Interest Payment Series 2023 Bond</u>	<u>Total Payment</u>
October 1, 2024	\$ 8,000.00	\$6,820.00	\$14,820.00
October 1, 2025	\$ 9,000.00	\$6,660.00	\$15,660.00
October 1, 2026	\$ 9,000.00	\$6,480.00	\$15,480.00
October 1, 2027	\$ 9,000.00	\$6,300.00	\$15,300.00
October 1, 2028	\$ 9,000.00	\$6,120.00	\$15,120.00
October 1, 2029	\$ 9,000.00	\$5,940.00	\$14,940.00
October 1, 2030	\$ 9,000.00	\$5,760.00	\$14,760.00
October 1, 2031	\$10,000.00	\$5,580.00	\$15,580.00
October 1, 2032	\$10,000.00	\$5,380.00	\$15,380.00
October 1, 2033	\$10,000.00	\$5,180.00	\$15,180.00
October 1, 2034	\$10,000.00	\$4,980.00	\$14,980.00
October 1, 2035	\$10,000.00	\$4,780.00	\$14,780.00
October 1, 2036	\$11,000.00	\$4,580.00	\$15,580.00
October 1, 2037	\$11,000.00	\$4,360.00	\$15,360.00
October 1, 2038	\$11,000.00	\$4,140.00	\$15,140.00
October 1, 2039	\$11,000.00	\$3,920.00	\$14,920.00
October 1, 2040	\$12,000.00	\$3,700.00	\$15,700.00
October 1, 2041	\$12,000.00	\$3,460.00	\$15,460.00
October 1, 2042	\$12,000.00	\$3,220.00	\$15,220.00
October 1, 2043	\$12,000.00	\$2,980.00	\$14,980.00
October 1, 2044	\$12,000.00	\$2,740.00	\$14,740.00
October 1, 2045	\$13,000.00	\$2,500.00	\$15,500.00
October 1, 2046	\$13,000.00	\$2,240.00	\$15,240.00
October 1, 2047	\$13,000.00	\$1,980.00	\$14,980.00
October 1, 2048	\$14,000.00	\$1,720.00	\$15,720.00
October 1, 2049	\$14,000.00	\$1,440.00	\$15,440.00
October 1, 2050	\$14,000.00	\$1,160.00	\$15,160.00
October 1, 2051	\$14,000.00	\$ 880.00	\$14,880.00

October 1, 2052	\$15,000.00	\$ 600.00	\$15,600.00
October 1, 2053	\$15,000.00	\$ 300.00	\$15,300.00

Interest shall accrue on the Series 2023 Bond from the Original Issue Date, and shall be payable in annual installments on October 1 of each year commencing October 1, 2024. The Series 2023 Bond shall be initially issued as one fully registered State Bond.

If any annual installment of principal and/or interest on the Series 2023 Bonds is not paid when due and payable, the Authority shall pay interest on the delinquent installment at the rate of eighteen percent (18%) from said due date until paid.

If less than \$341,000 is advanced on the Series 2023 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 2023 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 2023 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 CIB is the Registered Owner of the State Bonds, payments of principal and interest shall be made by check or draft and mailed to the CIB as the Registered Owner at the address shown on the registration books maintained by the Registrar.

### ARTICLE III

#### EXECUTION, AUTHENTICATION, DELIVERY, EXCHANGE AND REGISTRATION OF SERIES 2023 BONDS

Section 3.1. Execution; Limited Obligation. The Series 2023 Bonds 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 2023 Bonds 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 City, 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 2023 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) and shall be a valid claim of the respective Bondholders thereof only against the Bond Fund, the Reserve 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 2023 Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2023 Bonds, 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 2023 Bonds or the interest thereon or other costs incident thereto except from the moneys pledged therefor under this Master Resolution. The Series 2023 Bonds and the interest thereon shall never constitute an indebtedness of the City within the meaning of any constitutional limitation or statutory provision and shall not constitute or give rise to a pecuniary liability of the City or a charge against the general credit or taxing power of the City. Neither the City, not the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2023 Bonds, the interest thereon or amounts due or to become due under the Lease. The City shall not be obligated to appropriate City 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 City in the event of an insufficiency of moneys to pay the principal of, premium, if any, and interest on the Series 2023 Bonds. The payment obligations of the City 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 City under the Lease will terminate, and the Series 2023 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 this Master Resolution (except amounts held for the payment of Bonds 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 City 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 City or the Authority or upon the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City under the Lease.

Section 3.2. Delivery of Series 2023 Bonds. 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 2023 Bonds and deliver them to the CIB as directed by the Authority as hereinafter in this Section 3.2 provided.

Prior to the delivery of the Series 2023 Bonds, 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 City, of a resolution of the governing body of the City, authorizing the issuance of the

Series 2023 Bonds 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 2023 Bonds, 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 2023 Bonds, 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 City has insured the Project as required by Article IX of the Lease.

Section 3.3. 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 3.4. Exchange of State Bonds to Exchange Bonds. As long as the CIB is the sole Registered Owner of the Series 2023 Bonds, the Series 2023 Bonds shall be issued only as the State Bond in the form prescribed in Exhibit "A". It is recognized that the CIB may sell or otherwise transfer the Series 2023 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the CIB determines to sell or otherwise transfer all or a portion of the Series 2023 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bond may be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bond in accordance with the provisions of this Section 3.4 hereof. Exchange Bond may thereafter be exchanged from time to time for other Exchange Bond in accordance with Section 3.5 hereof. Any Series 2023 Bonds, or any portion thereof, which is sold or otherwise transferred or liquidated by the CIB pursuant to the

State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit "B", and shall be executed pursuant to authorization contained in Section 3.5 hereof. Each payment on the State Bond not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bond, in authorized denominations, and of like maturity. The Authority and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Authority to accomplish the exchange of the State Bond for Exchange Bond, provided that the CIB shall pay or cause to be paid all costs and other charges incident to such exchange and the Authority shall have no obligation to pay any such costs or charges. The Secretary is hereby authorized to sign the authentication certificate on the Exchange Bond when issued. The Exchange Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit until the Secretary has signed such authentication certificate on the Bond.

Section 3.5. Registration Provisions. The Authority shall cause books for the registration and for the transfer of the Series 2023 Bonds to be kept by the Secretary who is hereby appointed the Registrar of the Issuer with respect to the Series 2023 Bonds. Any Series 2023 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 2023 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 2023 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 2023 Bonds surrendered for transfer. Series 2023 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2023 Bonds of other authorized denominations and the same series and maturity. The execution by the Authority of any Series 2023 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 2023 Bonds. The Registrar shall not be required to transfer or exchange any Exchange Bond at any time following the mailing of notice calling such Series 2023 Bonds for redemption.

The Series 2023 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 2023 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 2023 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 3.6. 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 3.3, Section 3.4, Section 3.7 or Section 4.5 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 City.

Section 3.7. 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 3.8. Issuance of Refunding Bonds. To the extent permitted by law, the Authority may, at the request of the City 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 City 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 City 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 3.8 with respect to the issuance of such Refunding

Bonds; and (4) if the CIB is the present owner of the Series 2023 Bonds, the Authority shall have obtained the prior written approval of the CIB for the Authority to issue the Refunding Bonds for the Bonds owned by the CIB.

Section 3.9. 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 2023 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 City, 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 City, 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 City 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 City 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 October 1 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 October 1;

(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 City, of the resolution adopted and approved by the governing body of the City 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 City as to the legal, valid and binding nature of the amendment to the Lease as against the City 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 CIB is the present owner of the Series 2023 Bonds, the written approval of the CIB 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 2023 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 IV

##### REDEMPTION OF BOND BEFORE MATURITY

###### Section 4.1. Redemption Dates and Prices.

(a) The Series 2023 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 2023 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 City 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 City with respect to the Project under the Lease shall terminate and the City 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 City 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 CITY.

If called for prepayment at any time pursuant to the provisions above, the Series 2023 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 10.8(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 4.2. Notice of Redemption.

(a) In the event any of the State Bonds are to be redeemed, the Registrar shall mail notice of such redemption by first class mail, postage prepaid, to all Registered Owners of State 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.

(b) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 4.2. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all registered owners of Exchange 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. Such notice shall state the following information:

(i) the complete official name of the Exchange Bond, including series, to be redeemed, the identification numbers of the Exchange Bond being redeemed;

(ii) any other descriptive information needed to identify accurately the Exchange Bond being redeemed, including, but not limited to, the original issue date of such Exchange Bond;

(iii) in the case of partial redemption of any Exchange Bond, the respective principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and

(vii) the place where such Exchange Bond is to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(c) Upon the payment of the redemption price of Exchange Bond being redeemed, each check or other transfer of funds issued for such purpose shall identify the Exchange Bond being redeemed with the proceeds of such check or other transfer.

(d) The Registrar shall not give notice of such a redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

Notice of redemption shall be given, not more than forty-five (45) nor less than thirty (30) days prior to the redemption date, to registered owners of the Exchange Bond, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to registered owners of Exchange Bond or portions thereof redeemed but who failed to deliver Series 2023 Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2023 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 2023 Bonds.

In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2023 Bonds, a new Series 2023 Bonds in principal amount equal to the unredeemed portion of such Series 2023 Bonds will be issued.

Section 4.3. 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 3.3 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

Section 4.4. 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 3.6 hereof.

Section 4.5. Partial Redemption of Bond. Upon surrender of any Exchange Bond for prepayment or redemption in part only, the Authority shall execute, authenticate and deliver to the Bondholder thereof a new Exchange Bond or Bond of the same series and the same maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Exchange Bond surrendered, which new Exchange Bond or Bonds shall be a fully registered Exchange Bond or Bonds.

## ARTICLE V

### GENERAL COVENANTS

Section 5.1. 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 City 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 and the Reserve Fund. The principal and premium, if any, and interest on the Bond are payable solely from the Base Rentals and, if paid by the City, 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 2023 Bonds or in this Master Resolution shall be construed as pledging any other funds or assets of the Authority or the City. 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 2023 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 5.2. 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

City, to issue the Series 2023 Bonds 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 2023 Bonds 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 5.3. 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 City 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 2023 Bonds. 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 5.4. 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 2023 Bonds, 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 11-14-28, 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 5.5. 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 5.6. List of Bondholders. The Authority shall keep a list of names and addresses of the Bondholders of all Series 2023 Bonds 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. At reasonable times and under reasonable regulations, said list may be inspected and copied by the City or by Bondholders (or a designated representative thereof) of 15% or more in aggregate principal amount of the Series 2023 Bonds then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Authority.

Section 5.7. Rights Under Lease and the Security Documents. The Lease and the Security Documents set forth the covenants and obligations of the Authority and the City. Reference is hereby made to the same for a detailed statement of said covenants and obligations of the Authority and the City thereunder, and the Authority may enforce all rights of the Authority and all obligations of the City 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 5.8. 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 2023 Bonds. 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 2023 Bonds as shall be presented when due at the principal office of the Paying Agent.

Section 5.9. Filing of Records. So long as any Series 2023 Bonds 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 CIB is the registered owner of the State Bond, each such audit will be supplied to the CIB as soon as completed without prior request therefor by the CIB. 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 CIB 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 5.9.

## ARTICLE VI

### REVENUES AND FUNDS

Section 6.1. Source of Payment of Bond. The Series 2023 Bonds 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 6.2. Creation of Bond Fund. There is hereby created and held by the Authority and ordered established a fund to be designated “Municipal Building Authority of Blanding City, San Juan County, Utah Series 2023 Bond Fund”, which shall be used to pay the principal of and premium, if any, and interest on the Series 2023 Bonds.

Section 6.3. 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 2023 Bonds. 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 or any amount in the Reserve Fund directed to be paid into the Bond Fund in accordance with

the provisions of Section 6.7 hereof; (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 City, 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 2023 Bonds 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 2023 Bonds 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 2023 Bonds 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 2023 Bonds 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 6.4. 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 including mandatory sinking fund payments, if any, of principal of the Bonds, and for the redemption of the Bonds 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 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 authorized hereunder will be equally secured by an equal lien pledge of moneys deposited in the Bond Fund.

Section 6.5. 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 as the same become due and payable, and to utilize the moneys in the Bond Fund as provided in Section 6.4 hereof.

Section 6.6. Creation of Reserve Fund. There is hereby created and established with the Authority a trust fund in the name of the Authority to be designated "Municipal Building Authority

of Blanding City, San Juan County, Utah Series 2023 Reserve Fund” which shall be expended in accordance with the provisions of Section 6.7 hereof.

Section 6.7. Deposit to and Use and Moneys in the Reserve Fund. Beginning October 1, 2024 and on each October 1 thereafter until the Reserve Fund is fully funded, there shall be deposited into the Reserve Fund, from the Base Rentals received by the Authority, (1) the amount of \$2,617 per year for six years, until there is on deposit in the Series 2023 Reserve Fund, the sum of the Reserve Fund Requirement for the Series 2023 Bonds. The Authority may maintain sub-accounts within the Reserve Fund in order to properly utilize all moneys deposited therein for their intended purposes. Any moneys held in the Reserve Fund shall be invested and reinvested by the Authority in Investment Obligations. Moneys held in the reserve Fund shall be applied as follows:

(a) If within five (5) Business Days of any Principal Payment Due the moneys held in the Bond Fund are insufficient to pay all interest and principal then becoming due, the Authority shall transfer, on or before such date, moneys from the Reserve Fund to the Bond Fund to the extent that the amount of money so transferred plus all moneys then held in the Bond Fund shall be sufficient to pay all interest, premium, if any, and principal payments then becoming due and payable on such date (such moneys to be used for the payment of principal, premium, if any, or interest on the Series 2023 Bonds); and

(b) In the event that the City shall exercise its option to purchase the Project and terminate its payment obligations under the Lease upon payment of the Purchase Option Price, the Authority shall transfer all moneys held in the Reserve Fund to the Bond Fund.

In the event moneys are drawn from the Reserve Fund to pay principal and/or interest on the Series 2023 Bonds such that there shall be remaining in said fund an amount less than the Reserve Fund Requirement, the Authority shall replenish the Reserve Fund to the Reserve Fund Requirement upon the deposit of Base Rentals to be paid by the City pursuant to Section 6.2 of the Lease.

On each October 1 any moneys held in the Reserve Fund in excess of the Reserve Fund Requirement shall be immediately transferred to the Bond Fund. To the extent so paid, such excess shall reduce the amount of the succeeding Base Rental otherwise payable under the Lease.

Section 6.8. Deposit of Series 2023 Bonds Proceeds; Disbursements. The proceeds from the sale of the Series 2023 Bonds 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 2023 Bonds. Any unexpended balance from proceeds of the Series 2023 Bonds remaining in the Escrow Account after completion of the Project shall be deposited in the Bond Fund and used to redeem the Series 2023 Bonds pursuant to Section 4.1(a). Proceeds from the sale of the Series 2023 Bonds 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 6.9. Nonpresentment of Bond. In the event that any Series 2023 Bonds 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 6.10. Repayment to the City from Bond Fund or Reserve Fund. Any amounts remaining in the Bond Fund or the Reserve Fund after payment in full of the principal of and premium, if any, and interest on the Series 2023 Bonds and all other amounts required to be paid immediately to the City as an overpayment of Base Rentals.

Section 6.11. 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 City directs that the Net Proceeds be applied to redeem the Series 2023 Bonds 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 2023 Bonds as provided in Section 4.1 herein.

## ARTICLE VII

### INVESTMENT OF MONEYS

Section 7.1. Authority to Invest Funds. Any moneys held as part of the Bond Fund, the Reserve 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 Reserve Fund is to be invested in Investment Obligations with maturities of less than twelve months. 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 2023 Bonds when due.

Section 7.2. 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 VIII

### RIGHTS OF THE CITY

Section 8.1. Subordination of Rights to City. This Master Resolution and the rights and privileges hereunder of the holders of the Series 2023 Bond are specifically made subject and subordinate to the rights and privileges of the City 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 City 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 City to enjoy such rights and privileges, including without limitation, those referred to in Section 8.2 hereof.

Section 8.2. 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 City 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 8.3. Release of Equipment Forming a Part of the Project. Reference is made to the provisions of the Lease, whereby the City 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 IX

### 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 2023 Bonds 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 2023 Bonds 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 City 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 and the Reserve Fund required to be paid to the City under Section 6.10 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 2023 Bonds.

Any Series 2023 Bonds 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 2023 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 IV 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 IV 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 IX, 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 IX 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 IX which is not required for the payment of the Series 2023 Bonds 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 IX 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 X

### DEFAULT PROVISIONS AND REMEDIES

Section 10.1. 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 2023 Bonds;
- (b) Failure to pay when due the principal of, or premium, if any, on any Series 2023 Bonds, 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 2023 Bonds contained and failure to remedy the same after notice thereof pursuant to Section 10.13 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 City;
- (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 10.2. 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 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. With respect to the Series 2023 Bonds, such amounts of principal and interest payable thereon shall bear interest from the date of acceleration, as herein provided, until paid at the rate of eighteen percent (18%) per annum, unless otherwise waived in whole or in part by the Bondholder.

Upon any sale made either under the power of sale given in this Article X 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 2023 Bonds 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 City 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 City or the Authority or upon the general credit or taxing powers of the City. Additionally, no judgment requiring a payment of money may be entered against the City 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 City 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 City in writing of the occurrence of an Event of Default, and allowing the City ninety (90) days from the mailing of such notice to exercise their respective options to purchase the Project.

Section 10.3. 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 10.8 hereof. Whenever all that is due upon the Series 2023 Bonds 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 City, at their addresses set forth in the registration book required by Section 5.6 hereof, a summarized statement of income and expenditures in connection therewith.

While any Series 2023 Bonds 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 10.4. 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 2023 Bonds 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 10.5. Right of Bondholders to Direct Proceedings. The Bondholders of a majority in aggregate principal amount of the Series 2023 Bonds 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 10.6. 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 2023 Bonds 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 10.7. 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 appraisal, 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 10.8. 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 2023 Bonds 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 2023 Bonds, 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 tot he 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 2023 Bonds 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 (with interest on overdue installments of interest, at the rate of eighteen percent (18%) per annum on the Bond or Bonds which are overdue as provided in Section 2.2 hereof) and, if the amount available shall not be sufficient to pay in full the Series 2023 Bonds 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 2023 Bonds 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 2023 Bonds 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 2023 Bonds 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 2023 Bonds, 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 2023 Bonds over any other Series 2023 Bonds, 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 which are past due.

(c) If the principal of all the Series 2023 Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article X then, subject to the provisions of Section 10.8(b) of this Master Resolution in the event that the principal of all the Series 2023 Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 10.8(a) of this Master Resolution.

Whenever moneys are to be applied pursuant to the provisions of this Section 10.8, 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 2023 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 2023 Bonds has been paid under the provisions of this Section 10.8 and all expenses and charges of the Authority have been paid any balance remaining in the Bond Fund shall be paid to the City as provided in Section 6.10 of this Master Resolution as overpayment of Base Rentals.

Section 10.9. Remedies Vested. All rights of action under this Master Resolution or under any of the Series 2023 Bonds may be enforced by or on behalf of the Bondholders without the possession of any of the Series 2023 Bonds 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 10.10. 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 2023 Bonds 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 2023 Bonds at and after the maturity thereof, or the obligation of the Authority to pay the Series 2023 Bonds issued hereunder to the respective Bondholders thereof at the time, place, from the source and in the manner in the Series 2023 Bonds expressed.

Section 10.11. 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 10.12. 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 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 10.13. Notice of Event of Default under Section 10.1(c); Opportunity of the Authority and the City to Cure Such Events of Default. Anything herein to the contrary notwithstanding, no default under Section 10.1(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 City by the Bondholders of not less than 25% in aggregate principal amount of all Bond Outstanding, and the Authority and the City 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 City 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 City under the provisions of this Section 10.13, the Authority hereby grants the City 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 XI

### SUPPLEMENTAL RESOLUTIONS

Section 11.1. 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 2023 Bonds 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 CIB is the owner of the Series 2023 Bonds, 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 11.2. Supplemental Resolutions Requiring Consent of Bondholders. Exclusive of supplemental resolutions covered by Section 11.1 hereof and subject to the terms and provisions contained in this Section 11.2, and not otherwise, the Bondholders of not less than 51% in aggregate principal amount of the Series 2023 Bonds 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 11.2 or in Section 11.1 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 2023 Bonds issued hereunder, or (ii) a reduction in the principal amount of, or redemption premium on, any Series 2023 Bonds or the rate of interest thereon, or (iii) a privilege or priority of any Series 2023 Bonds over any other Series 2023 Bonds, or (iv) a reduction in the aggregate principal amount of the Series 2023 Bonds 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 2023 Bonds then Outstanding of the lien hereby created on the Project, without the prior consent of the Bondholders of 100% of the Series 2023 Bonds 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 11.2, 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 2023 Bond shown by the list of Bondholders required by the terms of Section 5.6 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 2023 Bonds 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 XI 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 City 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 City at least fifteen (15) days prior to the proposed date of adoption of any such supplemental resolution. The City 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 City on or before the fifteenth day after the mailing of said notice.

## ARTICLE XII

### AMENDMENT OF LEASE

Section 12.1. Amendments, etc. to Lease Not Requiring Consent of Bondholders. The Authority and the City 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 11.1 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 12.2. Amendments, etc. to the Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.1 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 2023 Bond to be affected at the time Outstanding given as in this Section 12.2 provided. If at any time the Authority and the City 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 11.2 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 2023 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 XIII

#### MISCELLANEOUS

Section 13.1. 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 2023 Bonds, 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 2023 Bonds 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 3.5 of this Master

Resolution.

Section 13.2. 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 2023 Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Series 2023 Bonds, 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 13.3. 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 13.4. 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 Municipal Building Authority of Blanding City, 50 West 100 South, Blanding, Utah 84511, Attention: President; if to the Bondholders, to their addresses as shown on the registration list; if to the City, to 50 West 100 South, Blanding, Utah 84511, Attention: Chair. If to the CIB, State of Utah Permanent Community Impact Fund Board, 140 East 300 South, 1st Floor, Salt Lake City, Utah 84115, Attention: Fund Manager. A duplicate copy of each notice required to be given hereunder to either the Authority or the City shall also be given to the others. The Authority, the City and the Bondholders may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.5. 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 13.6. Bank Deductibility. Pursuant to Section 265 of the Code, the Authority on behalf of the City hereby designates the Series 2023 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 City and by an aggregated issuer during the current calendar year will not exceed \$10,000,000. For purposes of this Section 13.6, “aggregated issuer” means any entity which (i) issues obligations on behalf of the City, (ii) derives its issuing authority from the City, or (iii) is subject to substantial control by the City. 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 13.7. 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 2023 Bonds (the “Rebate Exemption”) as follows:

(a) The Series 2023 Bond is issued by the Authority on behalf of the City which has general taxing powers.

(b) Neither the Series 2023 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 2023 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 2023.

For purposes of this Section 13.7, “aggregated issuer” means any entity which (a) issues obligations on behalf of the Authority or the City, (b) derives its issuing authority from the Authority or the City, or (c) is subject to substantial control by the Authority or the City.

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 2023 Bond.

Section 13.8. Applicable Provisions of Law. This Master Resolution shall be governed by and construed in accordance with the laws of the State of Utah.

Section 13.9. 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 13.10. 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 13.11. References to Improvements. The Project contemplated herein related to the initial bonds, the Series 2023 Bonds, issued hereunder, includes the acquisition of real property without the construction of improvements thereon. To the extent certain provisions herein, such as Section 4.1(b) for example, anticipate the construction of improvements, such references shall apply to refunding bonds and additional bonds and not to the Series 2023 Bonds.

ADOPTED as of this \_\_\_\_ day of \_\_\_\_\_, 2023.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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

Attest:

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

[SEAL]

EXHIBIT "A"

(FORM OF FULLY REGISTERED SERIES 2023 BONDS)

UNITED STATES OF AMERICA

MUNICIPAL BUILDING AUTHORITY OF BLANDING CITY,  
SAN JUAN COUNTY, UTAH

LEASE REVENUE BOND  
SERIES 2023

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>
\$341,000.00	2.00%	*, 2023

The Municipal Building Authority of Blanding City, San Juan 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 October 1, 2023, at the rate specified above (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable annually on October 1 of each year, with interest and principal installments beginning October 1, 2024, Principal together with accrued but unpaid interest, shall be payable in registered installments on October 1 of each of the years as set forth in the following Repayment Schedule:

<u>Payment Date</u>	<u>Total Principal Series 2023 Bond</u>	<u>Interest Payment Series 2023 Bond</u>	<u>Total Payment</u>
October 1, 2024	\$ 8,000.00	\$6,820.00	\$6,820.00
October 1, 2025	\$ 9,000.00	\$6,660.00	\$6,660.00
October 1, 2026	\$ 9,000.00	\$6,480.00	\$6,480.00
October 1, 2027	\$ 9,000.00	\$6,300.00	\$6,300.00
October 1, 2028	\$ 9,000.00	\$6,120.00	\$6,120.00
October 1, 2029	\$ 9,000.00	\$5,940.00	\$5,940.00

October 1, 2030	\$ 9,000.00	\$5,760.00	\$5,760.00
October 1, 2031	\$10,000.00	\$5,580.00	\$5,580.00
October 1, 2032	\$10,000.00	\$5,380.00	\$5,380.00
October 1, 2033	\$10,000.00	\$5,180.00	\$5,180.00
October 1, 2034	\$10,000.00	\$4,980.00	\$4,980.00
October 1, 2035	\$10,000.00	\$4,780.00	\$4,780.00
October 1, 2036	\$11,000.00	\$4,580.00	\$4,580.00
October 1, 2037	\$11,000.00	\$4,360.00	\$4,360.00
October 1, 2038	\$11,000.00	\$4,140.00	\$4,140.00
October 1, 2039	\$11,000.00	\$3,920.00	\$3,920.00
October 1, 2040	\$12,000.00	\$3,700.00	\$3,700.00
October 1, 2041	\$12,000.00	\$3,460.00	\$3,460.00
October 1, 2042	\$12,000.00	\$3,220.00	\$3,220.00
October 1, 2043	\$12,000.00	\$2,980.00	\$2,980.00
October 1, 2044	\$12,000.00	\$2,740.00	\$2,740.00
October 1, 2045	\$13,000.00	\$2,500.00	\$2,500.00
October 1, 2046	\$13,000.00	\$2,240.00	\$2,240.00
October 1, 2047	\$13,000.00	\$1,980.00	\$1,980.00
October 1, 2048	\$14,000.00	\$1,720.00	\$1,720.00
October 1, 2049	\$14,000.00	\$1,440.00	\$1,440.00
October 1, 2050	\$14,000.00	\$1,160.00	\$1,160.00
October 1, 2051	\$14,000.00	\$ 880.00	\$ 880.00
October 1, 2052	\$15,000.00	\$ 600.00	\$ 600.00
October 1, 2053	\$15,000.00	\$ 300.00	\$ 300.00

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

This Bond represents an issue of Municipal Building Authority of Blanding City, San Juan County, Utah Lease Revenue Bond, Series 2023 (the “Series 2023 Bonds”) issued for the purpose of (i) financing the cost of safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements (collectively, the “Project”), and (ii) paying necessary expenses incidental thereto. The Project has been leased by the Authority to Blanding City, San Juan County, Utah, a body politic of the State of Utah (the “City”), under the terms of an annually renewable Lease Agreement dated as of \*, 2023 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the “Lease”). Under the Lease, the City 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 City 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 City 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 2023 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 CITY AND THE CITY IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE PROJECT.

If any installment of principal and/or interest is not paid when due and payable, the Authority shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid.

This Series 2023 Bond is issued under and secured by and entitled to the protection of the Master Resolution dated as of \*, 2023, 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 City under the Lease and, if paid by the City, 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 City 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 City 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 City’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 City, the Authority and the holders of the Series 2023 Bonds, the issuance of Refunding Bond or Additional Bond, the terms upon which the Series 2023 Bonds are issued and secured, the terms and conditions upon which the Series 2023 Bonds will be deemed to have been paid, at or prior to maturity or redemption of the Series 2023 Bonds, and the rights of the holders of the Series 2023 Bonds upon the occurrence of an Event of Default or an Event of Nonappropriation.

The Series 2023 Bonds and the interest thereon constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2023 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 2023 Bonds and the interest thereon are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the City under the Lease. Payments under the Lease may be made only from City Funds (as defined in the Lease) which are budgeted and appropriated by the City for such purpose.

Neither the Lease, the Series 2023 Bonds nor the interest thereon shall constitute or give rise to a general obligation indebtedness of the City, or a charge against the City or the general credit or taxing power of the City. Neither the City nor the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2023 Bonds, the interest thereon or amounts due or to become due under the Lease. The Authority has no taxing power.

THE CITY IS NOT OBLIGATED TO APPROPRIATE CITY 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 CITY IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2023 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE CITY’S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE AND THE SERIES 2023 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 2023

## BONDS OR THE INTEREST THEREON.

No deficiency judgment upon foreclosure may be entered against the City 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 City or the Authority or the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Nonappropriation under the Lease.

This Series 2023 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 2023 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 2023 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 2023 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 2023 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 2023 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 2023 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 City 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 City with respect to the Project under the Lease, shall terminate and the City 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 City and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of the Series 2023 Bond not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption

of the Series 2023 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 2023 Bonds no then deemed Outstanding), shall be applied to the prepayment or redemption of this Series 2023 Bonds as the Authority may determine at the earliest date practicable. Such prepayment or redemption of this Series 2023 Bonds then outstanding plus accrued interest thereon, all in accordance with the Master Resolution. IN THE EVENT THIS SERIES 2023 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 2023 BONDS AGAINST THE AUTHORITY OR THE CITY.

If called for prepayment at any time pursuant to the provisions above, this Series 2023 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 2023 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 2023 Bond shall be redeemed in whole and the amount available therefor applied as provided in Section 10.8(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 2023 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 2023 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 2023 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 2023 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 2023 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 2023 Bonds at any time by the Authority with the consent of the City (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 2023 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 City (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 2023 Bonds at the time Outstanding. Any such consent or waiver by the Registered Owner of this Series 2023 Bonds shall be conclusive and binding upon such Owner and upon all future holders of this Series 2023 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 2023 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 2023 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 2023 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 2023 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.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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>
*, 2023	State of Utah Permanent Community Impact Fund Board	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

EXHIBIT "B"

(FORM OF EXCHANGE BOND)

UNITED STATES OF AMERICA

MUNICIPAL BUILDING AUTHORITY OF BLANDING CITY,  
SAN JUAN COUNTY, UTAH

LEASE REVENUE BOND, SERIES 2023

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.

**MATURITY DATE**

**INTEREST RATE**

**ISSUE DATE**

\_\_\_\_\_

**2.00%**

\_\_\_\_\_

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

The Municipal Building Authority of Blanding City, San Juan 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 named above, or registered assigns, the Principal Sum on the Maturity Date specified above, and in like manner to pay interest thereon accruing from \_\_\_\_\_, 20\_\_\_\_ at the Interest Rate specified above (calculated on the basis of a 360-day year of twelve thirty-day months), payable on October 1 of each year (each an "Interest Payment Date") commencing October 1, 20\_\_\_\_, except as the provisions hereinafter set forth with respect to prepayment of this Series 2023 Bond may become applicable hereto.

Principal on this Bond shall be payable at the office of the Treasurer of the Authority or his/her successor (the "Paying Agent") in San Juan, Utah upon surrender of the Bond. The principal of, premium, if any, and interest, if any, on this Bond shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Payments received on this Bond shall be applied first to the payment of interest, if any, and then to principal.

This Series 2023 Bonds represents an issue of Bond of like date, term, interest rate and effect except as to maturity, in the aggregate principal amount of THREE HUNDRED FORTY-ONE THOUSAND DOLLARS (\$341,000.00) issued in exchange for the conversion of the Issuer's Lease Revenue Bond, Series 2023 dated \_\_\_\_\_, 2023, in the total principal amount of \$341,000, authorized by a Master Resolution of the Issued dated as of \*, 2023 (the "Master Resolution"). This Series 2023 Bond and the issue of Series 2023 Bond of which it is a part is issued pursuant to (i) the Master Resolution and (ii) the Utah Local Building Authority Act, title 17D, Chapter 2, Utah Code Annotated 1953, as amended, for the purpose of (i) financing the cost of safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements (collectively, the "Project"), and (ii) paying necessary expenses incidental thereto. The Project has been leased by the Authority to Blanding City, San Juan County, Utah, a body politic of the State of Utah (the City"), under the terms of an annually renewable Lease Agreement dated as of \*, 2023 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Lease"). Under the Lease, the City 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 City 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 City 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, if any, and interest on the Series 2023 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. THE PURCHASE OPTION PRICE IS PAYABLE SOLELY AT THE OPTION OF THE CITY AND THE CITY IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE PROJECT.

If the principal and/or interest is not paid when due and payable, the Authority shall pay interest on the delinquent amount at the rate of eighteen percent (18%) per annum from said due date until paid.

This Series 2023 Bond is issued under and secured by and entitled to the protection of the Master Resolution by the Authority, duly adopted by the Authority and pursuant to which all Base Rentals payable by the City under the Lease and, if paid by the City, the Purchase Option Price, are assigned to secure the payment of principal of, premium, if any, and interest on the Series 2023 Bond. Additionally, the Authority has granted a security interest in the Project to the holder of this Series 2023 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 City 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 City 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 City'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 Series 2023 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 rank *pari passu* with this Series 2023 Bond and be equally and ratably secured and entitled to the protection of the Master Resolution and the Security Documents (this Series 2023 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 City, the Authority and the holders of the Series 2023 Bond, the issuance of Refunding Bond or Additional Bond, the terms upon which the Series 2023 Bond is issued and secured, the terms and conditions upon which the Series 2023 Bond will be deemed to have been paid, at or prior to maturity or redemption of the Series 2023 Bond, and the rights of the holders of the Series 2023 Bond upon the occurrence of an Event of Default or an Event of Nonappropriation.

The Series 2023 Bond and the interest thereon constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2023 Bond 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 2023 Bond and the interest thereon are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the City under the Lease. Payments under the Lease may be made only from City Funds (as defined in the Lease) which are budgeted and appropriated by the City for such purpose.

Neither the Lease, the Series 2023 Bond nor the interest thereon shall constitute or give rise to a general obligation indebtedness of the City, or a charge against City or the general credit or taxing power of the City. Neither the City nor the Authority on its behalf has pledged the credit of the City to the payment of the Series 2023 Bond, the interest thereon or amounts due or to become due under the Lease. The Authority has no taxing power.

**THE CITY IS NOT OBLIGATED TO APPROPRIATE CITY 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 CITY IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THE SERIES 2023 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE CITY'S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION, IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE AND THE SERIES 2023 BONDS AND THE INTEREST THEREON, IF ANY, 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 SERIES 2023 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 2023 BONDS OR THE INTEREST THEREON, IF ANY.

No deficiency judgment upon foreclosure may be entered against the City 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 City or the Authority or the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Nonappropriation under the Lease.

This Series 2023 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 2023 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 2023 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 2023 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 2023 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 2023 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 date of

prepayment of redemption.

This Series 2023 Bond is also subject to a 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 City 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 City with respect to the Project under the Lease shall terminate and the City 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 City and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of principal of the Series 2023 Bonds not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Series 2023 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 2023 Bonds not then deemed Outstanding), shall be applied to the prepayment or redemption of this Series 2023 Bond as the Authority may determine at the earliest date practicable. Such prepayment or redemption of this Series 2023 Bond shall be made upon payment of the principal amount of this Series 2023 Bond then outstanding plus accrued interest thereon, all in accordance with the Master Resolution. IN THE EVENT THIS SERIES 2023 BONDS 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 BOND AGAINST THE AUTHORITY OR THE CITY.

If called for prepayment at any time pursuant to the provisions above, this Series 2023 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 2023 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 2023 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, 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 2023 Bond. As required by the Articles of Incorporation of the Authority, the Governing Body has by resolution authorized the Authority to issue this Series 2023 Bond and to execute and deliver the Lease, the Master Resolution, and the Security Documents.

The Registered Owner of this Series 2023 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 permit, 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 2023 Bond at any time by the Authority with the consent of the City (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 2023 Bond 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 City (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 2023 Bond at the time Outstanding. Any such consent or waiver by the Registered Owner of this Series 2023 Bond shall be conclusive and binding upon such Owner and upon all future holders of this Series 2023 Bond and of any Series 2023 Bond issued upon the transfer or exchange of this Series 2023 Bond whether or not notation of such consent or waiver is made upon this Series 2023 Bond. 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 2023 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 2023 Bond, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory debt limitation.

This Series 2023 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Resolution until the Certificate of Authentication hereon shall have been signed by the Secretary of the Authority.

IN WITNESS WHEREOF, the Authority has caused this Series 2023 Bond to be executed in its name by the facsimile or manual signature of the President of its Governing Board and its corporation 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.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond represents the Series 2023 Bond.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

By \_\_\_\_\_  
Authorized Officer

Date of Authentication:

\_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_, the undersigned, hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Tax Identification or Social Security No. \_\_\_\_\_) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the Books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as it appears on the fact of this Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

\_\_\_\_\_  
THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

EXHIBIT "C"

DESCRIPTION OF THE PROJECT  
AND THE PROJECT SITE

The Project is described as follows:

Safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements.

The Property is described as follows:

INSERT LEGAL DESCRIPTION

MUNICIPAL BUILDING AUTHORITY OF  
BLANDING CITY,  
SAN JUAN COUNTY, UTAH

Lessor,

and

BLANDING CITY,  
SAN JUAN COUNTY, UTAH

Lessee.

**LEASE AGREEMENT**

Dated as of \*, 2023

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Various interests of the Municipal Building Authority of Blanding City, San Juan County, Utah in this Lease Agreement have been assigned to secure the payment of the Municipal Building Authority of Blanding City, San Juan County, Utah Lease Revenue Bonds, Series 2023 under a Master Resolution dated \*, 2023.

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## **LEASE AGREEMENT**

THIS LEASE AGREEMENT (the "Lease") dated as of \*, 2023, entered into by and between the MUNICIPAL BUILDING AUTHORITY OF BLANDING CITY, SAN JUAN 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 50 West 100 South, Blanding, Utah (84511), and BLANDING CITY, SAN JUAN COUNTY, UTAH (the "City"), as lessee hereunder, a political subdivision and body politic under the laws of the State of Utah, whose mailing address is 50 West 100 South, Blanding, Utah (84511);

### W I T N E S S E T H :

WHEREAS, the City 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 City has previously authorized and directed the creation of the Authority pursuant to provisions of a Resolution dated July 23, 1991 (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 City 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 City 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 City desire to finance the cost of safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements (the “Project”); and

WHEREAS, the City desires to lease, as lessee on an annually renewable basis, the Project to be used by the City 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 City as lessee; and

WHEREAS, the Project is to be leased to the City, as lessee, on an annually renewable basis, the Project from the Authority and the Authority desires to lease, as lessor, the Project to the City 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 November 8, 2022 (the “City 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 2023 in the total aggregate principal amount of \$341,000 (the “Series 2023 Bonds”); and

WHEREAS, pursuant to the provisions of a resolution dated November 8, 2022, 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 2023 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 City under the terms and provisions of this Lease; and

WHEREAS, the Authority proposes to finance the Project through the issuance of the Series 2023 Bonds; and

WHEREAS, the Series 2023 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 3.9 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 City assumes or agrees to pay exclusively from City Funds under Section 6.3 of this Lease, together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth herein.

“Authority” means the Municipal Building Authority of Blanding City, San Juan County, Utah, a nonprofit corporation organized under the laws of the State with its principal place of business in Blanding, San Juan 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 City 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 City.

"Base Rentals" means the payments payable by the City exclusively from City 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 City 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.

“CIB” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“City” means Blanding City, San Juan County, Utah, a political subdivision and body politic duly established and existing under and by virtue of the Constitution and laws of the State.

“City Funds” means all revenues, receipts and other legally available moneys, including without limitation payments received by the City 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 City 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.

"City Representative" means the person at any time designated to act on behalf of the City 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 City by its Mayor or any duly authorized officer thereof. Such certificate may designate an alternate or alternates. The City Representative may be an officer or employee of the Authority of the City.

“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 City 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 City to renew this Lease by failing to budget and appropriate sufficient City 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 City 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 City.

"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 City 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 September 30, 2024.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or which the City 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 City 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 construction of safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements, 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 City 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 City, at any time for the purpose of terminating the payment obligation of the City under this Lease and purchasing the Project, which amount, when added to the amounts then on deposit in the Bond Fund and Reserve 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 3.8 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.

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) The City 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 City is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this Lease. The City 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 City 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 City under the Constitution and laws of the State.

(d) The City 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 City of its obligations under this Lease will constitute on the part of the City 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 City 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 City, threatened, or any basis therefor, before any court or administrative agency which may adversely affect the City or the ability of the City 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 City of this Lease or in connection with the carrying out by

the City of its obligations under the Lease have been obtained.

(f) The City 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 City and is suitable for such purpose and in furtherance of the purposes of the City and the best interests of the citizens of the City.

(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 City 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 City 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 City 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 City will, so long as no Event of Nonappropriation or Event of Default shall occur, be applied for the benefit of the City, 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 City 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 on 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 2023 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 City and the City 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 City 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 2023 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 CIB which satisfies the requirements of Section 3.2(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 2023 Bonds and shall terminate at midnight on September 30, 2024. The Lease Term may be continued, solely at the option of the City, 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 October 1, 2053 and end on September 30, 2054), upon the City having budgeted and appropriated, prior to the end of the then current Original or Renewal Term, sufficient City 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 City 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 City 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 City 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 IX thereof;
- (e) the termination of the Lease Term pursuant to Section 10.3 of this Lease under the conditions provided therein; or
- (f) September 30, 2054, 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 City during the Lease Term with quiet use and enjoyment of the Project, and the City 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 City and at the cost of the City, join in any legal action in which the City asserts its right to such possession and enjoyment, to the extent that the Authority may lawfully do so. In addition, the City 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 CITY

**6.1. Payments to Constitute a Current Expense of the City.** The City and the Authority acknowledge and agree that the obligation of the City to pay Base Rentals and Additional Rentals hereunder constitutes a current expense of the City payable exclusively from City Funds and shall not in any way be construed to be an obligation or indebtedness of the City 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 City concerning the creation of indebtedness. No provision of this Lease shall be construed or interpreted as a lending of the credit of the City within the meaning of Section 29 of Article VI of the Utah Constitution. Neither the City, nor the Authority on its behalf, has pledged the credit of the City 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 City 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 City shall pay Base Rentals exclusively from City Funds. The City 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 2023 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 2023 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 2023 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 2023 Bonds an amount sufficient to make such payment. In addition, until the Reserve Fund with respect to the Series 2023 Bonds is at all times fully funded to the Reserve Fund Requirement, the City, shall, in the event it elects to renew this Lease during the following Renewal Term, and as a condition of renewal, pay to the Authority in annual payments Base Rentals during the following Renewal Term, in an amount sufficient to fund or replenish the Reserve Fund to the Reserve Fund Requirement as provided in the Master Resolution. 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 City for occupancy, provided, however, that as substantial portions of the Project are available for operation the City shall pay Base Rentals in proportion to the portion available. The amount of the Base Rentals otherwise payable by the City hereunder shall be reduced by an amount equal to (i) earnings on the investment of the Bond Fund, (ii) moneys transferred to the Bond Fund from the Reserve Fund pursuant to the last paragraph of Section 6.7 of the Master Resolution which moneys are applied to pay the principal of the Bonds, and (iii) 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 City 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 City that, subject to the terms of this Lease and the Master Resolution, all Base Rentals payable under this Section 6.2 by the City, 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 City assents to such pledge. The Authority hereby directs the City, and the City hereby agrees to pay to the Authority at its principal office, all Base Rentals payable by the City 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 2023 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 and the Reserve 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 City 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 City pays Base Rentals, the City shall pay the following Additional Rentals, exclusively from City 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 City 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 City 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 City 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 City Funds and in lawful money of the United States of America. The obligation of the City 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 City 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 City shall pay all payments of Base Rentals and Additional Rentals, from and to the extent of available City Funds, when due, and shall not withhold any Base Rentals or Additional Rentals pending final resolution of such dispute, nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. The obligation of the City 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 City; Determination of Purchase Price.** The City hereby declares that, as of the date of the execution of this Lease, the City 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 City. By the execution hereof, the City 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 City 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 City and the benefit to the citizens of the City by reason of the City's use and occupancy of the Project pursuant to the provisions of this Lease.

**Section 6.6. Nonappropriation.** In the event that sufficient City Funds shall not be budgeted and appropriated by the City 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 City 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 City has elected to continue this Lease for a Renewal Term by budgeting and appropriating sufficient City Funds for the payment of Base Rentals and Additional Rentals hereunder the City 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 City fails to pay any Base Rentals or Additional Rentals due under this Lease, or upon an Event of Nonappropriation, the City 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 City.

The parties hereto agree that, upon the occurrence of an Event of Nonappropriation, the City 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 City, 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 City covenants and agrees as follows:

(a) During the term of this Lease, the City covenants and agrees (i) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of the City 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 City'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 City 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 City’s annual tentative budget shall be made under applicable law in the fiscal year prior to the fiscal year commencing July 1, 2023, 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 City 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 City determines to approve such amount in the final budget as adopted.

(b) To effect the covenants set forth in (a) above, the City 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 City, 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 City 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 City 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 City, acting in his or her individual capacity as such. In this connection, the City 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 City.

## ARTICLE VII

### ACQUIRING OF THE PROJECT AND ISSUANCE OF SERIES 2023 BONDS

**Section 7.1. Agreement to Acquire Project.** The City 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 City 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 October 1, 2024, 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 2023 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 CIB the Series 2023 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 City 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 City 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 2023 Bonds remaining in the Escrow Account shall be deposited in the Bond Fund and used to redeem the Series 2023 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 and Reserve Fund Moneys.** Any moneys held as part of the Bond Fund and Reserve 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 City 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 City 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 CITY; 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 City as provided in Section 12.1. The City 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 City 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 11-14-28, 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 City.** The City shall, at its own expense, from available City 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 City 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 City shall, at the City's sole cost and expense, as if the City were the absolute owner thereof, from available City 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 City 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 City 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 City; provided, however, that if the City shall first notify the Authority of the intention of the City so to do, the City 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 City 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 City shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will cooperate fully with the City in any such contest, upon the request and at the expense of the City. Any property for which a substitution or replacement is made pursuant to this Section 9.2 may be disposed of by the City in any manner and in the sole discretion of the City.

**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 City Funds, shall be paid by the City 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 City shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during that period that the City is obligated to pay Base Rentals. The City 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 City shall also pay as Additional Rentals, from and to the extent of available City 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 City 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 City 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 City may, at the expense and in the name of the City, 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 City 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 City 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 City shall fail to pay any of the foregoing items required by this Section 9.3 to be paid by the City, the Authority may (but shall be under no obligation to) pay the same, which amounts, together

with interest thereon at a rate per annum equal to eighteen (18%) percent as of the date of payment, the City agrees to pay, from and to the extent of available City Funds.

**Section 9.4. Provisions Respecting Insurance.** The City 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 City any lesser amount which is equal to or greater than the amount of all of the Bonds then Outstanding. Alternatively, the City 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 City 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 City, Section 10.3 of this Lease. The City 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 City or the Authority without first giving written notice thereof to the City, the Authority and the CIB 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 City 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 \$100,000 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 City shall maintain, or cause to be maintained, worker's compensation coverage with respect to officers, agents and employees of the City working in, on or about the Project, including coverage for occupational diseases.

**Section 9.7. Advances.** In the event that the City 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, together with interest thereon at a rate of 18% per annum, the City agrees to pay, from and to the extent of available City Funds.

**Section 9.8. Failure to Provide Insurance.** In the event the Authority pays for any insurance policies required by this Article, the City will promptly pay directly to the Authority all premiums for said insurance, and until payment is made by the City 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 City 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 City 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 City and the City 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 City 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 CIB 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 City 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 City 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 City to Repair and Replace the Project.** Subject to the provisions of Section 10.3 of this Lease, the City 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 City upon receipt of a requisition acceptable to the Authority signed by the City 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 City. 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 City shall, from and to the extent of available City Funds, complete the work and pay any cost in excess of the amount of the Net Proceeds. The City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this Section 10.2, the City shall not be entitled to any reimbursement therefor from the Authority or the Bondholders nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals payable under Sections 6.2 and 6.3 of this Lease. The City 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 City 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 City, 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 City 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

City 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 City, as provided in the Master Resolution.

**Section 10.4. Cooperation of the Authority.** The Authority shall cooperate fully with the City at the expense of the City 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 City in connection with which the Project is used and will, to the extent it may lawfully do so, and shall permit the City 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 City Representative.

**Section 10.5. Condemnation of Property Owned by the City.** The City 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 of 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 City of any item, product or service provided for herein.

**Section 11.2. Further Assurances and Corrective Instruments.** The City 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. City and Authority Representatives.** Whenever under the provisions hereof the approval of the City or the Authority is required, or the City 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 City by the City 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 City 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 City 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 City 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 City 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 City 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 City 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 3.9 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 City:

- (a) Upon payment by the City 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 City 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 IX 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 City 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 City 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 City good and marketable title to the Project as it then exists subject to the following: (i) those liens and encumbrances created

by the City or to the creation or suffering of which the City consented; (ii) those liens and encumbrances resulting from the failure of the City 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 City 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 City 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 City 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 City for expenses of the Authority under Section 6.3(d) of this Lease, the Authority's rights to indemnification from the City under Section 13.3 of this Lease and the obligation of the City 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 City.** This Lease may not be assigned by the City for any reason. The City 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 City to make payment of Base Rentals and Additional Rentals hereunder shall at all times during the Lease Term remain obligations of the City notwithstanding any sublease;

(c) the City 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 City and the contractor's performance and payment bonds for the Project required hereunder, the City 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 City or of any of its agents, contractors or employees or any violation of law or the breach of any covenant or warranty hereunder. The City 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 City'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 City. 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 City 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 City.** The City 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 City, in which the Authority shall have no interest and may be removed by the City at any time; provided, however, that the City 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 City from the Project. Any item of such equipment which shall be determined by the City to be no longer usable in connection with the Project may be sold by the City 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 City 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 City by the Authority or, in any event, a failure by the City to make such payments within fifteen (15) days after the date on which they are due; or

(b) Failure by the City 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 City 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 City within the applicable period and diligently pursued until the default is corrected; or

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

(d) The City'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 City shall file any petition or institute any proceedings wherein or whereby the City seeks to be adjudicated a bankrupt, or to be discharged from any and all of its debts or obligations, or offers to the City's creditors to effect a composition or extension of time to pay the City's debts, or seeks a reorganization or a readjustment of the City'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 City and the same shall not have been dismissed or otherwise resolved in favor of the City 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 City 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 City shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations of the City contained in Article VI hereof, the City shall not be deemed in default during the continuance of such inability. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the City 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 City, and the City 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 City, unfavorable to the City.

**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 City 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 City 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 City 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 City under this Section 14.5 shall be subject to the availability of City 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:

Municipal Building Authority of Blanding City  
50 West 100 South  
Blanding, Utah 84511  
Attention: President

If to the City:

Blanding City, San Juan County, Utah  
50 West 100 South  
Blanding, Utah 84511  
Attention: Mayor

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 City shall also be given to the Bondholders. The Authority, the City, 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 City 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 and Reserve Fund; Dissolution.** It is agreed by the parties hereto that any amounts remaining in the Bond Fund or Reserve 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 City 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 City 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 City 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 City 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.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

BLANDING CITY,  
SAN JUAN COUNTY, UTAH

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

ATTEST:

\_\_\_\_\_  
Secretary

[SEAL]

**ACKNOWLEDGMENTS**

STATE OF UTAH            )  
                                      : SS.  
COUNTY OF SAN JUAN    )

On the \* of \*, 2023, personally appeared before me Logan Monson and David S. Johnson, who, being by me duly sworn (or affirmed), did say that they are the President and Secretary, respectively, of the Municipal Building Authority of Blanding City, San Juan 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 Logan Monson and David S. Johnson, 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: 10-4-2023

STATE OF UTAH            )  
                                      : SS.  
COUNTY OF SAN JUAN    )

On the \* day of \*, 2023, personally appeared before me Logan Monson and David S. Johnson, who, being by me duly sworn (or affirmed), did say that they are the Mayor and Secretary, respectively, of Blanding City, San Juan 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 City, and said Logan Monson and David S. Johnson, 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: 10-4-2023

## **EXHIBIT A**

The Project is described as follows:

Safety renovations to the Wellness Center, including installation of fire alarms, a fire suppression sprinkler system, indoor shower improvements and related improvements.

The Property is described as follows:

INSERT LEGAL DESCRIPTION

**EXHIBIT “B”**

Schedule of Lease Payments

<u>Base Rental Payment Date</u>	<u>Base Rental Payment</u>	<u>Reserve Fund Payment</u>	<u>Total Base Rental Payment</u>
October 1, 2024	\$14,820.00	\$2,617.00	\$17,437.00
October 1, 2025	\$15,660.00	\$2,617.00	\$18,277.00
October 1, 2026	\$15,480.00	\$2,617.00	\$18,097.00
October 1, 2027	\$15,300.00	\$2,617.00	\$17,917.00
October 1, 2028	\$15,120.00	\$2,617.00	\$17,737.00
October 1, 2029	\$14,940.00	\$2,617.00	\$17,557.00
October 1, 2030	\$14,760.00		\$14,760.00
October 1, 2031	\$15,580.00		\$15,580.00
October 1, 2032	\$15,380.00		\$15,380.00
October 1, 2033	\$15,180.00		\$15,180.00
October 1, 2034	\$14,980.00		\$14,980.00
October 1, 2035	\$14,780.00		\$14,780.00
October 1, 2036	\$15,580.00		\$15,580.00
October 1, 2037	\$15,360.00		\$15,360.00
October 1, 2038	\$15,140.00		\$15,140.00
October 1, 2039	\$14,920.00		\$14,920.00
October 1, 2040	\$15,700.00		\$15,700.00
October 1, 2041	\$15,460.00		\$15,460.00
October 1, 2042	\$15,220.00		\$15,220.00
October 1, 2043	\$14,980.00		\$14,980.00
October 1, 2044	\$14,740.00		\$14,740.00
October 1, 2045	\$15,500.00		\$15,500.00
October 1, 2046	\$15,240.00		\$15,240.00
October 1, 2047	\$14,980.00		\$14,980.00
October 1, 2048	\$15,720.00		\$15,720.00
October 1, 2049	\$15,440.00		\$15,440.00
October 1, 2050	\$15,160.00		\$15,160.00
October 1, 2051	\$14,880.00		\$14,880.00
October 1, 2052	\$15,600.00		\$15,600.00
October 1, 2053	\$15,300.00		\$15,300.00

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 \*, 2023, by and among the Municipal Building Authority of Blanding City, San Juan County, Utah, a nonprofit corporation duly organized under the laws of the State of Utah (“Trustor”) whose address for purposes of this agreement is 50 West 100 South, Blanding, Utah 84511, and \_\_\_\_\_ Title Company (“Trustee”), whose place of business is \_\_\_\_\_, Blanding, Utah; and the State of Utah Permanent Community Impact Fund Board, or any successor or successors thereof, as Bondholder (the “Beneficiary”) under a Master Resolution, dated as of \*, 2023 (the “Master Resolution”) in connection with the issuance of the \$341,000.00 Municipal Building Authority of Blanding City, San Juan County, Utah, Lease Revenue Bonds, Series 2023 (the “Series 2023 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 for 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 of 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 for 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 if 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 2023 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, if 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 2023 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 of 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 of 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 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 if 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 be deposited with Beneficiary are or will be insufficient to pay such amounts as then may then or subsequently 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 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 taxes, assessments or 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 Instrument, 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 constitute 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 10.1 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 10.2 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 Instructions 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 Trustee, 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 City of the Event of Default and of the City's right to a 90-day notice of its option to purchase the Project as more fully outlined in Section 10.2 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 if 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 them 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 XI of the Master Resolution. Additionally, no deficiency judgement upon foreclosure may be entered against Trustor, the City, 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.

MUNICIPAL BUILDING AUTHORITY  
OF BLANDING CITY

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

ATTEST AND COUNTERSIGN:

\_\_\_\_\_  
Secretary

(SEAL)

STATE OF UTAH                    )  
                                          : ss  
COUNTY OF SAN JUAN        )

On the \* day of \*, 2023, personally appeared before me Logan Monson and David S. Johnson, being by me duly sworn (or affirmed), did say that they are the President and Secretary, respectively, of the Municipal Building Authority of Blanding City, San Juan 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 Logan Monson and David S. Johnson, 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: 10-4-2023  
Residing At: Richfield, Utah

**EXHIBIT "A"**

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

INSERT LEGAL DESCRIPTION

Blanding, Utah

November 8, 2022

The Mayor and City Council (“Governing Body”) of Blanding City, San Juan County, Utah (the “City”), met in regular public session on November 8, 2022, at the City Offices, 50 West 100 South, Blanding, Utah, at 7:00 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 City Council. The meeting was called to order by the Mayor. On roll call, the following Councilmembers, constituting a quorum, were present:

Logan Monson	Mayor
Cheryl Bower	Councilmember
Chris Ewald	Councilmember
Len Gasser	Councilmember
Erik Grover	Councilmember
Kellen Nielson	Councilmember

Also Present:

David S. Johnson	City Recorder
------------------	---------------

Absent:

_____	_____
_____	_____

After the minutes of the preceding meeting had been read and approved, the City Recorder 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 November 8, 2022, 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 City Council, and (2) providing notice to at least one newspaper of general circulation within the geographic jurisdiction of Blanding City, San Juan County, Utah (the “City”) 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 SAN JUAN        )

I, DAVID S. JOHNSON, the duly qualified and acting City Recorder of Blanding City, Utah, do hereby certify, according to the records of the Council in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 54-4-202(1), Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours' public notice of the agenda, date, time and place of the November 8, 2022 regular public meeting held by the Council by:

(a) causing a Notice of Public Meeting to be posted at the principal office of Blanding City on November 7, 2022, at least twenty-four (24) hours before the convening of the meeting, in the form attached hereto as Exhibit A; said Notice of Public Meeting having continuously remained so posted and available for public inspection during the regular office hours of the City until the convening of the meeting; and

(b) causing a copy of the Notice of Public Meeting in the form attached hereto as Exhibit A to be provided on November 7, 2022, at least twenty-four (24) hours before the convening of the meeting, to the San Juan Record, a newspaper of general circulation within the geographic jurisdiction of Blanding, Utah, and to any other local media correspondent, newspaper, radio station or television station which has requested notification of meetings of the Council.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of Blanding, Utah, this 8th day of November, 2022.

\_\_\_\_\_  
City Recorder

[SEAL]

EXHIBIT A

[Attach Notice of Public Meeting Here]

**NOTICE AND AGENDA OF MEETING OF THE  
MAYOR AND CITY COUNCIL OF BLANDING,  
SAN JUAN COUNTY, STATE OF UTAH**

\* \* \* \* \*

PUBLIC NOTICE IS HEREBY GIVEN that the Mayor and City Council of Blanding, San Juan County, State of Utah, will hold a regular meeting at the City Offices at 50 West 100 South, Blanding, Utah, on Tuesday, the 8th day of November, 2022, at the hour of 7:00 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 Municipal Building Authority of Blanding City, San Juan County, Utah Lease Revenue Bond, Series 2023 to finance the cost of safety renovations to the Wellness Center; 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 7th day of November, 2022.

BLANDING CITY

By \_\_\_\_\_  
City Recorder

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: Cheryl Bowers  
Chris Ewald  
Len Gasser  
Erik Grover  
Kellen Nielson

Nay: None.

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

The Resolution is as follows:

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

**A RESOLUTION OF THE CITY COUNCIL OF BLANDING CITY, SAN JUAN COUNTY, UTAH AUTHORIZING AND APPROVING THE EXECUTION OF AN ANNUALLY RENEWABLE LEASE AGREEMENT BY AND BETWEEN THE CITY AND THE MUNICIPAL BUILDING AUTHORITY OF BLANDING CITY, SAN JUAN COUNTY, UTAH (THE “AUTHORITY”); AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 2023; AUTHORIZING THE EXECUTION OF A MASTER RESOLUTION, SECURITY DOCUMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE FINANCING OF THE COST OF SAFETY RENOVATIONS TO THE WELLNESS CENTER; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.**

WHEREAS, Blanding City, San Juan County, Utah (the “City”) 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 City has previously authorized and directed the creation of the Municipal Building Authority of Blanding City (the “Authority”) pursuant to the provisions of a Resolution adopted on July 23, 1991 (the “Creating Resolution”); and

WHEREAS, pursuant to the direction of the Mayor and City 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 City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the City desires to lease, as lessee on an annually renewable basis, the Wellness Center (the “Project”) to be used by the City 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 City as lessee; and

WHEREAS, the Project is to be leased to the City, 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 “A” (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 2023 in the principal amount of not to exceed \$600,000 (the “Series 2023 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 “B” and herein authorized and approved; and

WHEREAS, the Authority proposes to issue the Series 2023 Bonds pursuant to the Master Resolution, and to secure its payment obligations under the Series 2023 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 “C” (the “Security Documents”) for the benefit of the holders of the Series 2023 Bonds; and

WHEREAS, the Series 2023 Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the City on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing power; and

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

WHEREAS, the State of Utah Permanent Community Impact Fund Board (the “Purchaser”) has offered to purchase the Series 2023 Bonds and the Authority desires to sell the Series 2023 Bonds; and

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the governing body of the City and, therefore, it is necessary that the City authorize certain actions by the Authority in connection with the transactions contemplated by the Lease, the Master Resolution, the Series 2023 Bonds and the Security Documents; and

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

WHEREAS, in order to allow for flexibility in setting the financial terms of the Series 2023 Bonds once costs of the Project are finally determined and to optimize debt service costs to the Authority, the City 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 2023 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 CITY COUNCIL OF BLANDING CITY, SAN JUAN COUNTY, UTAH AS FOLLOWS:

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

**Section 2.** The City 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 City and is in the best interest of the citizens of the City, the leasing of the Project to the City 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 “A”, 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 “A” for and on behalf of the City. The designated 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 “A” for and on behalf of the Authority.

**Section 4.** The designated 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 “B”, for and on behalf of the Authority.

**Section 5.** The Authority is authorized to issue the Series 2023 Bonds in the aggregate principal amount of not to exceed \$600,000. The Bonds 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 2023 Bonds to the Purchaser.

The form, terms and provisions of the Series 2023 Bonds 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 2023 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 2023 Bonds, to place thereon the seal of the Authority and to deliver the Series 2023 Bonds 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 2023 Bonds and to authenticate the Series 2023 Bonds. 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 designated 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 2023 Bonds.

**Section 7.** Upon their issuance, the Series 2023 Bonds will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2023 Bonds and the Master Resolution. No provision of this resolution, the Lease, the Master Resolution, the Security Documents, the Series 2023 Bonds, or any other instrument, shall be construed as creating a general obligation of the City, or as incurring or creating a charge upon the general credit of the Authority or of creating a general obligation of the City or against its taxing powers. The City 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 2023 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 City 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 designated 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 City Resolution, the Creating Resolution or any resolution adopted by the City 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 City Recorder of the City is hereby authorized to attest to all signatures and acts of any proper official of the City, and to place the seal of the City Recorder on the Lease. The Mayor and other proper officials of the City and each of them, are hereby authorized to execute and deliver for and on behalf of the City 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 2023 Bonds, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the Authority. The designated 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 City 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 City Council.

PASSED AND APPROVED this 8th day of November, 2022.

BLANDING CITY

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

ATTEST AND COUNTERSIGN:

By \_\_\_\_\_  
City Recorder

[SEAL]

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

BLANDING CITY

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

ATTEST:

By \_\_\_\_\_  
City Recorder

[SEAL]

STATE OF UTAH                    )  
                                          : ss.  
COUNTY OF SAN JUAN        )

I, DAVID S. JOHNSON, hereby certify that I am the duly appointed, qualified and acting City Recorder of Blanding City, San Juan County, Utah;

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a Regular Meeting of the Governing Body of said City, including a Resolution adopted at said meeting held on November 8, 2022, as said minutes and Resolution are officially of record in my possession, and that a copy of the said Resolution was deposited in my office on November 8, 2022;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Blanding City, San Juan County, Utah, this 8th day of November, 2022.

\_\_\_\_\_  
City Recorder

(SEAL)

EXHIBIT "A"

LEASE

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

EXHIBIT "B"

MASTER RESOLUTION

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

EXHIBIT "C"

SECURITY DOCUMENTS

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



## CITY COUNCIL MEETING - STAFF REPORT

**Author:** Bret Hosler, Community Development Director  
**Department:** Community Development  
**Subject:** Airport Project - Awos III  
**Date:** November 8, 2022  
**Type of Item:** Resolution

### Background

Blanding Municipal Airport has been working the last several years towards the installation of a Wildlife fence completely around the airport property to try and keep deer and other animals from crossing the runway and off airport property. There have been several near hits the last few years. The Ute Tribe has not completed a land exchange that was agreed to over thirty plus years ago. This has required us to have to pick another project so we do not lose our FAA funding.

The State of Utah currently owns the weather station just west of the Airport property on Lyman's farm. It is very old equipment and needs to be replaced. They have no desire to own the new weather station. An airport weather station is called AWOS. The type of weather station needed going forward is AWOS III.

We have the funding to complete the AWOS III like always the FAA requires that the City sign a contract stating that we will maintain and repair this new equipment. The City attorney has reviewed the contract. Said it was the standard contract.

### Budget Impact

No budget impact for construction of a new AWOS III - but there would be ongoing maintenance costs of just over \$6,000 a year and utilities costs.

### Department Review

Administration, Community Development, Finance, City Attorney

### Recommendation

Direct staff to sign the contract and proceed

### Attachments

AWOS Contract, Resolution



## RESOLUTION NO. 11-8-2022-2

### A RESOLUTION APPROVING A CONTRACT FOR A NEW AWOS WEATHER STATION AT THE AIRPORT

**WHEREAS**, Blanding City is the owner of the Blanding Municipal Airport; and

**WHEREAS**, The City Airport has not had a completely functioning AWOS weather station for years, because the State of Utah as the owner did not replace the ceiling equipment; and

**WHEREAS**, To help improve both safety and economic impact of Blanding City Municipal Airport; and

**WHEREAS**, City Staff have reviewed the proposed FAA Contract will move Blanding City forward in its goal of a safe and economically active airport;

**NOW THEREFORE, BE IT RESOLVED** by the governing body of Blanding City, Utah, that the City approves the FAA contract to allow the installation of a new AWOS III weather station on airport property.

**PASSED** on the 8th of November, 2022

**BLANDING CITY  
A UTAH MUNICIPAL CORPORATION**

\_\_\_\_\_  
Logan Monson, Mayor

Attest: \_\_\_\_\_  
David Johnson, City Recorder

# Operations and Maintenance Manual

for

BDG AWOS

at

Blanding Airport

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This manual fulfills the requirements of Title 49 of the United States Code Section 44708; Title 14 of the Code of Federal Regulations, Part 171; and the latest versions of both Advisory Circular (AC) 150/5220-16 and FAA Order 6700.20. AC 150/5220-16 and Order 6700.20 are mandatory guidance for sponsors of non-federal systems. Attachment 1 to this manual incorporates performance standards and tolerances for system maintenance.

*Michael Rawlinson*

---

(Designated FAA Representative)

8/15/2022

---

(Date)

**Part I. Agreement for the Operation & Maintenance of AWOS**

**between**

**The Federal Aviation Administration (FAA) & Blanding Airport/City of Blanding**

In accordance with the relevant requirements set forth in the 14 CFR Part 171, the latest version of FAA Advisory Circular 150/5220-16, and this Operations and Maintenance Manual (OMM) dated **06/28/2022**, **Blanding Airport/City of Blanding** (“Sponsor”), having installed the **BDG AWOS** (“System”) on its premises, hereby agrees to comply with this OMM.

The undersigned agrees to operate and maintain the System in accordance with this OMM and all applicable FAA requirements, standards, and criteria. This includes the latest versions of FAA Advisory Circular 150/5220-16, Order 6700.20, and 14 CFR Part 171, as well as other FAA directives identified later in this document.

The undersigned agree to operate and maintain the System in accordance with the attached OMM and all applicable FAA requirements, standards, and criteria. The undersigned also agrees to comply with the attached OMM, as well as the latest versions of Advisory Circular 150/5220-16, FAA Order 6700.20, and 14 CFR Part 171.75

The FAA reserves the right to amend the OMM to reflect changes in FAA operating policies and procedures. The Sponsor must implement these changes within 10 days of the FAA issuing written notification to the Sponsor. The Sponsor is responsible for notifying the maintenance technician(s) of record identified in Attachment 2, Facility Contact Information.

The undersigned agrees that the “facility contact information” must remain current. The Sponsor must ensure this by entering the updated contact information into an addendum and attaching it to this original Agreement and any copies. Attachment 3 is a blank “facility contact information” addendum.

If at any point the “verified maintenance technician(s)” listed in the OMM cease to perform the functions indicated, the Sponsor agrees to notify the FAA within 10 days.

The undersigned agree that noncompliance with the above requirements will be grounds for the cancellation of FAA-approved instrument flight procedures and decommissioning of the System.

With regard to any liability which may arise from the use and/or the operation of this System, each party expressly agrees that it must be solely and exclusively liable for the negligence of its own agents or employees, in accordance with applicable law, and that neither party looks to the other to save or hold it harmless for the consequences of any negligence on the part of one of its own agents or employees.

<u>Michael Rawlinson</u>	<u><i>Michael Rawlinson</i></u>	<u>8/15/2022</u>
FAA’s Designated Representative	Signature	Date

_____	_____	_____
Sponsor (or Representative)	Signature	Date

## Part II. Operational Requirements

The following requirements must be met to operate a facility in the National Airspace System (NAS). Failure to comply with these requirements will result in withdrawal of approval to use the facility.

### 1. Licensing.

- a. Facility. The Federal Communications Commission (FCC) license is to be conspicuously posted at the facility. The normal period of the station license is 10 years, after which time it requires renewal. Submit the *FCC Application for Radio Service Authorization* via the FCC web site. Each application must reference a Non-Government Tracking Number (NG T#) as proof of FAA coordination, as well as the FAA Office where notification was made, and the date of notification. When received, provide a copy of the new license to the FAA Non-Federal Inspector.
- b. Non-federal Maintenance Technician. Only individuals that meet FCC licensing requirements and have FAA approval must maintain the system. A general class radiotelephone operator license satisfies the FCC requirement. Provide a copy of this license to the FAA District Office (or designee) in accordance with the latest version of AC 150/5220-16 and FAA Order 6700.20. The FAA will grant approval following the successful completion of both of the following:

- (1) An FAA or FAA-approved system-specific course.

- (2) A performance examination administered by a representative of the FAA.

The FAA will issue a letter of verification authority to the technician stating that the technician met these requirements for this specified system.

### 2. Notice to Airmen.

A Notice to Airmen (NOTAM) contains the establishment, condition, or change in any aeronautical facility, system, service, procedure, or hazard, the timely knowledge of which is essential to personnel concerned with flight operations. The sponsor must publicize, promptly and accurately, via NOTAM any deviation from normal operation or failure of this facility. Pilots and/or other individuals who detect irregularities or receive reports concerning irregular operation must notify the sponsor and/or technician responsible for equipment maintenance, immediately. The sponsor or authorized representative must file a NOTAM through the appropriate FAA point of contact. In the event of a failure or deviation exceeding (or expected to exceed) 24 hours, the sponsor or authorized representative must notify the point of contact for suspending/restoring service, and issuing NOTAMs, during normal business hours, as listed in Part VI, Attachment 2 – *Facility Contact Information*.

### 3. Shutdown for Routine Maintenance.

Maintenance should be performed only when the following conditions exist:

- a. Confine service interruption to visual flight rules (VFR) conditions, daylight hours, and periods of light traffic when possible, or when Air Traffic Control has given clearance for an alternate system.
- b. Coordinate service interruption with the appropriate FAA facility. It is necessary to make notification in advance to allow for prior publication of the notice of shutdown or interruption. Make notification no more than 48 hours and no less than 8 hours in advance. Facilities must not be shut down without Air Traffic (AT) approval.
- c. A NOTAM must be in effect announcing the scheduled interruption and the technician must not shutdown the facility until that specified time. The advance notification of the interruption will state a specific period of time for the interruption to occur.
- d. Disable the facility identification signal while performing maintenance.

#### **4. Pilot Report.**

The sponsor must remove the facility from service immediately upon receipt of two successive pilot reports (PIREPS) of malfunctioning. The facility will remain out of service until the proper operation can be confirmed by the facility technician and/or flight inspection aircraft if necessary.

#### **5. Required Support Items.**

- a. The sponsor must provide FAA-approved test equipment needed for maintenance of the facility. Test equipment used to measure key performance parameters must be calibrated in accordance with the schedule in the manufacturer instruction book for the facility, or the test equipment instruction book, whichever period is the shortest. All test equipment calibration must be accomplished with standards traceable to the National Institute of Standards and Technology.
- b. There must be a stock of spare parts sufficient to make possible prompt replacement of components that fail or deteriorate in service.

#### **6. Emergencies.**

- a. Military. In a case of a national defense alert, the facility must adhere to the directions received from the FAA and must remain in such status until official notice is received that the alert is over.
- b. Aircraft Accident. Part III of this manual provides guidance in case of an aircraft accident.

#### **7. Adjustment of Equipment through Remote Maintenance Monitoring (RMM).**

Any non-federal AWOS that is authorized to use FAA-approved, manufacturer-developed RMM capability must have an approved printer or data-storage device that documents all remotely performed maintenance activities. This printer or storage device must make a record of all logons

and equipment adjustments initiated from the remote interface screen. Retention policy for printouts or soft data is 30 days, unless an RMM activity takes place 30 days or less prior to a significant event.

The definition of a “significant event,” for the purposes of a non-federal facility, is any unscheduled outage requiring a NOTAM. If such an outage takes place, the technician of record must update the Facility Maintenance Log as soon as possible, referring to the RMM activity. The retention policy for the corresponding RMM log is a minimum of 2 years. Reference the most recent versions of AC 150/5220-16 and Order 6700.20.

### Part III. Maintenance Requirements

#### 8. General.

- a. The facility must be maintained in accordance with the applicable sections of the latest version of AC 150/5220-16, manufacturer instruction books, FAA technical handbooks, and/or other FAA-approved requirements. FAA standards and tolerances must be used. If they do not exist, then the manufacturer instruction books must be used. The relevant documents are listed below, as well as in Attachment 1.

**Note:** The maintenance schedules and requirements contained in the following documents are the minimum level of maintenance in accordance with the latest version of AC 150/5220-16 and this OMM.

Equipment-Performance Standards & Tolerances (most current version of the following):

- - 
  -
- b. All non-federal facilities requiring periodic inspection must have a maintenance technician with Verification Authority or the facility will not be commissioned or may be NOTAM'd out of service if already commissioned. The maintenance technician of record is required to be on site for commissioning and periodic ground inspections. If at any time the site loses its maintenance technician or does not adhere to the FAA-approved maintenance schedules, the equipment may be NOTAM'd out of service if the sponsor or designated representative has not coordinated the exact circumstances with the FAA.
  - c. The sponsor must submit any proposed modifications to the facility to the FAA for approval and must not permit any modifications to be performed without specific FAA approval. Improvement in maintenance procedures or equipment modifications must be funded and incorporated by the sponsor only after approval by the FAA. An addendum to this OMM, approved by the FAA, must be completed accordingly.
  - d. Neither the equipment nor antenna will be replaced or relocated without prior FAA approval. No construction is to be planned in the vicinity that may alter or affect the facility without first coordinating with the FAA.
  - e. Vegetation, snow depth, and other potential obstructions to accuracy of the facility operations must be controlled in accordance with applicable ACs, orders, FAA technical handbooks and/or manufacturer instruction books.

- f. The FAA is responsible for providing FAA forms and appropriate FAA publications required for maintenance of the facility. These forms and publications will be made available at no charge by the FAA office having inspection responsibility.

Note: Some FAA forms, orders, and advisory circulars (ACs) are available to the public. Documents and publications that are accessible to the public can be found at the following web addresses:

- The Federal Aviation Administration public website:  
[http://www.faa.gov/regulations\\_policies/faa\\_regulations/](http://www.faa.gov/regulations_policies/faa_regulations/)
- The Non-Federal Program's public website:  
[http://www.faa.gov/airports/planning\\_capacity/non\\_federal/](http://www.faa.gov/airports/planning_capacity/non_federal/)

- g. Comprehensive Facility Performance and Adjustment Data Form (similar to Technical Reference Data Record) (TRDR).

(The FAA will provide a copy of this form or an FAA-approved equivalent.)

- (1) In AC 150/5220-16 references the Comprehensive Facility Performance and Adjustment Data Form. It, or an FAA-approved equivalent, must be completed by the sponsor or sponsor's representative at the time of the facility commissioning. One copy must be kept in the permanent records of the facility and one copy must be sent to the appropriate FAA office. The sponsor or sponsor's representative must revise the data after any major repair, modernization, or returning to service, to reflect an accurate record of facility operation and adjustment. In the event the data is revised, sponsor or sponsor's representative must notify the appropriate FAA office of such revisions and forward copies of the revisions to the appropriate FAA office within 20 business days.

- h. Technical Performance Record (TPR).

(The FAA will provide a copy of this form.)

- (1) AC 150/5220-16 references the TPR. The TPR contains a record of system parameters recorded during each scheduled visit to the facility. The sponsor or the sponsor's representative must keep the original page of the technical performance record at the facility and send a copy to the appropriate FAA office. Timeframes and methods for submitting TPRs are set forth below in sub-section j.

- i. Facility Maintenance Log, FAA Form 6030-1.

(The FAA will provide a copy of this form.)

- (1) This log is a permanent record of all of the activities required to maintain the facility. Log entries must be clear, complete, concise, and recorded in Greenwich Mean Time (GMT). The entries must include all malfunctions encountered in maintaining the

facility, including information on the kind of work and adjustments made, equipment failures, causes (if determined), and corrective action taken. In addition, the entries must include statements describing periodic maintenance activities required to maintain the facility, facility verification statements, and NOTAM information. Retain original maintenance logs at the facility for a period of 3 years. Provide the FAA Inspector with a copy of the log pages. Timeframes and methods for submitting TPRs are set forth below in sub-section j. See the *Paper Maintenance Logs SOP* for logging guidelines and requirements. (The FAA Inspector will provide a copy.)

(2) Among the most important entries in the facility maintenance log are those indicating the verification status of a system, subsystem, or equipment. For the purpose of this OMM, the word "certification" used in FAA directives is synonymous with "verification." Verification statements must be entered in the facility maintenance log (FAA Form 6030-1) in accordance with appropriate FAA directives and orders. If the performance of the facility has changed, and whenever maintenance work that has been performed may have affected verification parameters, a verification statement must be made before returning to service a system, subsystem, or equipment. See the *Paper Maintenance Logs SOP* for instructions on the required language.

(3) Events and activities that require an entry in the paper log:

(a) **All Service Outages Lasting Longer Than 60 Seconds (Scheduled or Not).**

The non-Federal technician must make entries regarding:

1. When the outage occurred; and
2. When the facility was verified and returned to service.

(b) **Any On-Site Activity Related to the Facility Failing to Pass a Remote Test.**

(c) **Any Restoration and/or Verification-Related Activity (On-Site or Remote).**

**Note:** This type of activity must be entered in the On-Site Log *even if* it occurs remotely. The non-Federal technician, sponsor, or airport manager/employee, may log this information, and it may be relayed to them by a party at the remote site.

j. Sponsors' Deadlines for Submitting Copies of Logs & TPRs to FAA Inspectors.

- (1) General. Generally, Inspectors will pick up copies of facility logs and TPRs at the periodic inspection. Sponsors may submit their logs and TPRs more frequently, if they choose to, submission arrangements must be discussed with the Inspector.
- (2) Periodic Inspection. If logs and TPRs are not available for pick up at the time of the periodic inspection, the sponsor must submit copies to the Inspector within 20 business days following the periodic inspection. Inspectors may negotiate one time, limited extension.

- (3) Unscheduled Outages Lasting Longer Than 60 Seconds. The sponsor must submit copies of all logs and TPRs to the Inspector within 20 business days of the facility's return to service. Inspectors may negotiate one time, limited extension. The Sponsor must submit the request for an extension to the Inspector. The request must include the period negotiated. It must also be in writing (email is acceptable), for documentation purposes.
- (4) Failure to Submit On Time. The FAA will issue a NOTAM, removing the facility from service if logs and TPRs are late in accordance with the above noted requirements. The NOTAM will remain in place until the sponsor submits its facility's logs and TPRs.

## **9. Physical Security.**

The facility requires physical security. Sponsors must keep systems/equipment protected under lock and key at all times. The FAA requires protection to ensure that unauthorized personnel do not have access to the equipment at any time.

## **10. Flight Inspections.**

The FAA will perform flight inspections as stipulated in Order 8200.1, United States Standard Flight Inspection Manual. The sponsor must provide ground-to-air communications on 135.85 or 135.95 megahertz for flight inspection when required. The maintenance technician must participate in this inspection if required by the FAA. FAA technical handbooks and orders outline activities requiring flight inspection.

## **11. Ground Inspections.**

- a. FAA ground inspection will be accomplished on a periodic basis. Prior notification of ground inspection will be given to the facility technician after coordination with the sponsor. Failure to meet the technical standards for equipment maintenance may be grounds for cancellation of the facility's instrument approach procedures and decommission of the system.
- b. The FAA may conduct a follow-up inspection when a facility may have been a factor in an aircraft accident/incident (see Part IV).

## **12. Safety.**

Sponsors and technicians must follow all State and Local personnel safety requirements. At the Inspector's discretion, if the site is unsafe, the Inspector can discontinue the inspection until the sponsor remedies the situation. The sponsor must control vegetation around the facility to ensure accessibility.

## **13. NAPRS Data.**

(To be provided.)

## Part IV. Aircraft Accident Procedures

### 14. General.

This part will help expedite the verification of facilities that are suspect in an aircraft accident and help ensure that all required actions are accomplished. It contains the following:

- a. General Information Checklist.
- b. Facility Restoration Checklist.

**Note:** It is the responsibility of the non-Federal technician to complete these checklists. The technicians must also forward the Facility Restoration Checklist to the National Technical Operations Aircraft Accident Representative (NTOAAR), and send a copy to the sponsor.

Non-Federal Technician who completed the General Information & Facility Restoration Checklists:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

Person who reviewed the Facility Restoration Checklist for completeness and accuracy:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

### 15. Information and Instructions.

- a. There are a series of steps to be performed for facilities that are suspect in an aircraft accident. These steps need to be performed in a very precise manner so that the true and accurate status of a facility is documented. Order 8020.16, Air Traffic Organization Aircraft Accident and Incident Notification, Investigation, and Reporting, is the controlling directive and will take precedence over other instructions where there are conflicts. In general, the steps to be performed are outlined below and will be performed in the following sequence:
  - (1) Initial determination of facility status.
  - (2) Facility status notification to Technical Operations Services/Air Traffic (AT).
  - (3) Technical evaluation of facility.
  - (4) Documentation of the “as-found” condition of the facility.

(5) Notification to the Technical Operations Aircraft Accident Representative (TOAAR) of "as-found" condition.

(6) Flight check if applicable.

- b. When a facility has been identified as being suspect in an aircraft accident, the Operational Control Center (OCC) will contact the facility sponsor or the Service Area designee (depending on the local Memorandum of Agreement with the sponsor), who in turn must contact the maintaining technician, to effect the as-found documentation and subsequent restoration. If a non-federal maintenance technician is not available to document as-found conditions in a timely manner, the OCC should request that the sponsor provide immediate facility access for an FAA Airway Transportation Systems Specialists (ATSS) with certification authority on the facility type involved. The ATSS will accomplish the as-found documentation (but not the restoration).

### **16. Initial Determination of Facility Status.**

This is important because it provides both Air Traffic and Technical Operations Services with information needed to make other decisions vital to public safety. Unless instructed to the contrary, a non-federal technician should not do this step alone. An observer should accompany the non-federal technician to ensure that there is no question in the future as to what took place at the facility. The observer is a second person who will attest that the recorded findings and actions by the evaluator represent a true and accurate description of the witnessed activities. The OCC will locate and dispatch an observer for each potentially suspect facility removed from service, unless waived by the duty TOAAR. The non-federal technician making the initial determination of the facility status must have current verification authority on the facility. The person accompanying the technician should be an FAA technician; however, if necessary, can be someone else in order to save time. Make log entries indicating the purpose of the visit and the results of the initial determination. The type of information obtained during an initial determination visit to a facility are only those items that can visually be learned to ascertain whether a facility was or was not operating normally immediately preceding or at the time of the accident. Do not make adjustments or perform control functions; only collect, that information, which is visible by looking at equipment indicators, meters, etc.

### **17. Notification to AT/Technical Operations Services of Facility Status.**

Provide the information obtained on the facility status to the TOAAR as soon as possible. The non-federal technician must make a log entry documenting to whom, when, and how the technician made the information available.

**Note:** Section 1 of the Facility Restoration Checklist must be completed.

### **18. Technical Evaluation of Facility.**

When the TOAAR notifies a non-federal technician that a post aircraft accident technical evaluation of a facility is required, two people will be involved in the evaluation process. One individual, whom possesses current verification authority on the system, will be the non-federal

technician responsible for performing the evaluation. The other person will act as an observer and will normally possess current certification authority, i.e. an FAA technician. Only the TOAAR can waive the requirement for an observer. If the TOAAR waives does not grant a waiver, the technical evaluation is not to take place. If there is a waiver, then the individual conducting the evaluation must not be the last person who verified the facility.

**Note:** Section 2 of the Facility Restoration Checklist must be completed.

### **19. Documentation of the Condition of the Facility.**

This step is just as important as any other is and requires completion with attention to detail. This includes entries in technical performance records, facility maintenance logs, RMM interface screens, and ground check forms. The statements shown in the Facility Restoration Checklist should provide a standard description that anyone concerned with the accident could easily interpret. It is extremely important that all entries are accurate and complete.

**Note:** Section 3 of the Facility Restoration Checklist must be completed.

### **20. Notification to the TOAAR of "As-Found" Condition.**

Forward the Facility Restoration Checklist to the NTOAAR with a copy to the sponsor. Complete this step as soon as possible to allow for timely decisions regarding further actions, such as whether to call for a flight check.

Mail the original checklist and As-Found readings to:

FAA/AJW-3B  
3702 Macintosh Dr.  
Warrenton, VA 20187  
ATTN: NTOAAR

### Figure 1-1. General Information Checklist

**Note:** The non-Federal technician must complete the original version of this checklist. The sponsor must then retain the original on file in its office and send a copy to the NTOAAR at the address listed in Section 20, above.

1. Non-Federal \_\_\_\_\_ / AT \_\_\_\_\_

(Name of first non-Federal person contacted by AT and name of AT person.)

If not notified by AT, indicate who made the initial notification on the above line.

Time of notification: \_\_\_\_\_. (All times in GMT.)

2. The non-Federal person must contact the TOAAR, the sponsor, and any others as required by these instructions.

\_\_\_\_\_ time completed.

3. The TOAAR will determine with AT's help which facilities may have been or were used by the aircraft, also the aircraft number and type and location of crash, time of crash, and type of flight plan.

Facilities Identified by TOAAR:

<u>Location ID</u>	<u>Facility</u>	<u>Location ID</u>	<u>Facility</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Aircraft Type: \_\_\_\_\_

Aircraft ID: \_\_\_\_\_

Date/Time of Accident: \_\_\_\_\_

Location of Crash if Known: \_\_\_\_\_

Aircraft on: \_\_\_ IFR \_\_\_ VFR \_\_\_ No flight plan

**Figure 1-2. Facility Restoration Checklist**

Figure 1-2 is required for each facility removed from service as identified by the duty TOAAR.

1. Complete the following initial items:

- a. List the facility that has been identified to be returned to service. The restoration can be accomplished via verification and/or operational status check.

**Facility: AWOS      Ident: BDG**

b. Identify the non-Fed Technician who last verified the facility, and the observer:

- (1) Record below the name of the technician who last verified the facility or equipment. Control point visits or phone calls may be required to learn who last verified.

<b>AWOS</b>	
<b>Facility</b>	<b>Non-Fed Technician who last verified facility</b>

- (2) An observer will normally be required; however, under certain conditions the observer requirement may be waived by the TOAAR. Has the observer requirement been waived by the TOAAR?    **Yes** \_\_\_\_\_                      **No** \_\_\_\_\_

(3) If the answer to (2) is **No**, identify who is to be the observer below:

<b>Observer Name</b>	<b>Observer Title/Phone</b>
----------------------	-----------------------------

c. Upon arriving at the facility, log the following information:

(1) Arrival date and time at facility: \_\_\_\_\_

(2) Reason for facility visit: \_\_\_\_\_

(3) Current weather conditions (not at time of accident/incident) at facility. This is your "unofficial" observation of the general weather conditions upon your arrival at the facility. See the following example text.

\_\_\_\_\_

\_\_\_\_\_

Examples of typical initial log entries: (not necessary to use word-for-word)

GMT Log Entry

1258	Arrived site to initiate verification and/or restoration of facility in a post-aircraft accident/incident.
1303	Presently the weather conditions are overcast and snowing with 2 feet of snow on the ground.
1305	Found GS was operating on commercial power with no alarms or transfers indicated. Air traffic reported no pilot reports of malfunction of this facility during the last 5 hours.

2. Initiate action to verify and restore facility.

- a. If the facility is shut down, record the status of the equipment in the facility log. Reset the equipment, and MAKE NO ADJUSTMENTS. If the facility fails to restore to normal after resetting, notify the duty TOAAR immediately for further instructions. If the facility resets successfully, continue with the next step.
- b. Immediately record as-found technical data (see Section 3 below), MAKING NO ADJUSTMENTS. IF OUT-OF-TOLERANCE CONDITIONS ARE FOUND, notify the duty TOAAR immediately for further instructions.
- c. If a flight inspection has been requested, MAKE NO ADJUSTMENTS prior to commencing the flight inspection, and then make only those adjustments requested by flight inspection personnel.
- d. Once as-found technical data has been recorded (see Section 3 below), and any flight inspection activities have been completed, corrective maintenance in support of facility restoration may begin. Record as-left technical data (see Section 3 below).
- e. Verify the facility as required and initiate restoration coordination. Record all activities in the facility maintenance log.

3. Documentation of the condition of the facility.

- a. Technical performance parameters must be recorded accurately on the appropriate FAA form, Technical Performance Record (TPR). For RMM facilities, all remote interface screens required to support a verification judgment must be captured and a hard copy retained. If the equipment involved is operational, a set of "as found" readings or screens must be recorded prior to any corrective maintenance, followed by recording a set of "as left" readings or screens.
- b. Authentication of Technical Readings: An authentication statement must be entered immediately below each set (as found, as left) of parameter values, on each TPR form, and on each screen printed, identifying whether the values are "as found" or "as left." The authentication statement is not necessary on copies of electronic log pages. If no adjustment or other maintenance was accomplished, a single statement will suffice. The

authentication statement to be used on each set of readings on each TPR and each page of RMM interface screens is as follows:

I certify that the above post-accident/incident data is a true record of the (facility or equipment type) parameter values / screens (as found, as left, or as found and left) at the date and time indicated.	
<b>Non-Fed Technician:</b>	<b>Observer:</b>
Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____

Note that in the above authentication statement, you must compose, select, or modify the text in parentheses as appropriate. Example: “I certify that the above is a true record of the **XYZ Localizer** parameter **values as-found** at the date and time indicated.”

- c. Terminate each TPR page that contains accident/incident data in accordance with FAA Order 6000.15, Appendix H, Paper Maintenance Logs SOP, Log Interval. After completing entries related to the accident/incident, terminate the log page and it should be part of the official report.
  - d. Enter the date and time of uploading automated logs, if any, on the blanks provided on page 1 of this checklist.
4. Completion:
- a. Confirm restoration coordination is complete.
  - b. This completes the facility restoration process.

**Figure 1-3. Aircraft Accident/Incident Package Cover Page**

Minimum Package Contents:

1. Cover page (this page; use additional copies as required for all signatures)

2. Technical data (for each facility removed from service):

Initials

a. Facility Restoration Checklist, Figure 1-2.

Reviewed for completeness?

b. Hardcopy printout of all facility log entries, regardless of the logging method used, covering the period beginning with removal from service and ending with restoration to service.

Do the log pages contain the proper verification statement?

c. A complete, original set of Technical Performance Record Forms.

Data entered per FAA Order 6000.15, Appendix H?

Nominal values listed where appropriate?

Signed by supervisor (each page, in header)?

Authenticated (each page, per Section 2b of Figure 1-2)?

Non-Fed technician / personnel who completed the facility restoration process:

(Signature)	(Date)	(Facilities)

Service Area designated office manager who reviewed this package:

(Signature)	(Date)	(Service Area Designated Office)
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## **Part V. 6000-Series FAA Forms**

### ***1. Technical Performance Record (TPR).***

- The FAA will provide a copy of this form or an FAA-approved equivalent

### ***2. Technical Reference Data Record (TRDR).***

- The FAA will provide a copy of this form.

### ***3. Facility Maintenance Log (“Log”): Form 6030-1***

- The FAA Inspector will provide these forms to the sponsor.

## **Part VI. Remote Maintenance Monitoring (RMM)**

The FAA must authorize and approve the use of manufacturer-developed RMM capability for non-federal AWOS.

### Relevant Procedures.

If a significant event occurs, as defined in section 7 of this document, causing an unexpected outage, the technician of record must contact the RMM POC to inquire as to whether any RMM activities occurred during the prior 30 days.

If so, the technician of record must take the following actions:

- Issue a NOTAM;
- Notify the RMM POC to retain the RMM log for the corresponding activity for 2 years; and
- Create an entry in the Facility Maintenance Log referring to the RMM activity including the date of performance.

## Part VII. Non-Federal Facility Data

1. Sponsor: City of Blanding
  
2. Facility
  - a. Type: AWOS
  
  - b. Identifier: BDG
  
  - c. Facility Name: Blanding AWOS
  
  - d. Airport Name: Blanding Airport
  
  - e. Location (City & State): BLANDING,UT
  
  - f. Directions to Facility: BLANDING
  
  - g. Site Elevation (MSL): 5868
  
  - h. Antenna Elevation (AGL): 35'
  
  - i. Latitude: 37.58332
  
  - j. Longitude: -109.483
  
  - k. Frequency: 127.750
  
  - l. FCC Licensed Power: 2.5
  
  - m. Licensee: City Of Blanding
  
  - n. File Number: 000873669

o. Call Sign: WQAN450

p. FCC Registration Number: 0004254223

3. Equipment

a. Transmitter Manufacturer: Raveon

b. Transmitter Model: RV-M7

c. Internal Monitor / Shutdown: YES

d. Receiver Manufacturer: Raveon

e. Receiver Model: RV-M7

f. Transmitter Antenna Type / Model: Yagi / 10'

g. Standby Power (Type): UPS

## Attachment 1. Equipment-Performance Standards & Tolerances

FACILITY TYPE: AWOS

**Note:** You must list standards and tolerances for the concerned facility type. Insert, relevant ACs, manufacturer's instruction nook or FAA technical handbook:

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## Attachment 2. Facility-Contact Information

The OMM does not need to be re-signed/re-approved if any of the below information changes. If there is more than one sponsor's representative, verified maintenance technician, etc., you may modify this addendum to suit your needs.

### 1. Sponsor's Representative:

- a. Name / Title: Bret Hosler/Airport Manager
- b. Telephone Work / Home 435 687 2791 Ex/
- c. Address 50 West 100 South Blanding UT 84511

### 2. Verified Maintenance Technician:

- a. Name / Title Michael Musick / Electronic Systems Engineer
- b. Telephone Work / Home 916 368 2020 Ex /
- c. Address 4531 Harlin Drive Sacramento CA 95826
- d. Email Address mmusick@mesotech.com
- e. FCC License Number 0031095607

### 3. Person In Charge Of Monitoring Location:

- a. Name / Title Bret Hosler / Airport Manager
- b. Telephone Work / Home (435) 678 2791 ex 34 /
- c. Email Address bhosler@blanding-ut.gov
- d. Location Address 50 West 100 South Blanding UT 84511
- e. Monitoring Hours

### 4. NEMC SOC Telephone Number: (855) 322-6362 or (855) FAA-NEMC.

### 5. Service Area Point Of Contact For Submitting Required Forms:

- a. Name: Vicki Alexander
- b. Address: FAA Denver TSC Longmont CO 80501
- c. Email Address: Vicki.Alexander@faa.gov

### 6. FAA Telephone Numbers To Call If There's An Aircraft Accident:

NEMC SOC Telephone Number: (855) 322-6362 or (855) FAA-NEMC.

**Attachment 3. Facility-Contact Information – Additional Verified Maintenance Technicians**

The OMM does not need to be re-signed/re-approved when the facility-contact information changes. The purpose of this addendum is to allow the OMM to be updated whenever the facility's contact information changes. When it does, you must notify the point of contact for suspending/restoring service, and issuing NOTAMs. If you need additional addendums, you must duplicate a blank copy of this one. All addendums must be attached to this OMM and any copies of it. Finally, if there is more than one sponsor's representative, verified maintenance technician, etc., you may modify this addendum to suit your needs.

<b>Name</b>	<b>Telephone</b>	<b>Email Address</b>	<b>FCC License</b>
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#### **Attachment 4. Remote Maintenance Monitoring (RMM) Logs**

As of March 4<sup>th</sup>, 2019, this attachment is a new part of OMMs for non-federal AWOS. However, pre-existing OMMs do not need to be re-signed/re-approved. Simply attach this page to all copies of the OMM.

The purpose of this attachment is, in part, to alert the Technical Operations Aircraft Accident Representative (TOAAR) to the presence of an RMM Log, if the need arises.

Does this non-federal facility have an RMM log?

Yes

No

If yes:

RMM Location Name: \_\_\_\_\_

RMM Location Address: \_\_\_\_\_

Location Point of Contact: \_\_\_\_\_

- Phone Number: \_\_\_\_\_