

Monticello, San Juan County, Utah

June 18, 2019

The Board of Trustees (the "Board") of the Local Building Authority of San Juan County, Utah (the "Authority") pursuant to due notice met in Regular Public Session at its regular meeting place, the San Juan County Courthouse, 117 South Main, Monticello, Utah, at 11:00 o'clock a.m. on Tuesday, the 18th day of June, 2019, with the following members of the Board being present, constituting a quorum of the Board:

<u>Name</u>	<u>Title</u>
Kenneth Maryboy	President
Willie Grayeyes	Member
Bruce Adams	Member

Also Present:

John Nielson	Secretary
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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 June 18, 2019, 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, JOHN NIELSON, the undersigned, the duly appointed, qualified and acting Secretary of the Local Building Authority of 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 June 18, 2019, 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 San Juan County Courthouse, 117 South Main, Monticello, Utah, on June 17, 2019, 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 June 17, 2019, at least 24 hours before the convening of the meeting to the San Juan Record, Monticello, Utah, 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 18th day of June, 2019.

LOCAL BUILDING AUTHORITY
OF SAN JUAN COUNTY

By _____
Secretary

[SEAL]

EXHIBIT A

[Attach Notice of Public Meeting]

NOTICE AND AGENDA OF REGULAR MEETING

* * * * *

PLEASE TAKE NOTICE that the Board of Trustees of the Local Building Authority of San Juan County, will hold a Regular Meeting on Tuesday, the 18th day of June, 2019, at its regular meeting place, the San Juan County Courthouse, 117 South Main, Monticello, Utah, at the hour of 11:00 o'clock a.m.

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

- (1) Consideration and adoption of a Resolution authorizing an annually renewable Lease, a Master Resolution, Security Documents and the issuance and sale by the Authority of its Local Building Authority of San Juan County, Utah Lease Revenue Bond, Series 2019 to finance the cost of acquisition, construction and furnishing of a road department shop and related facilities; calling of a public hearing to receive input with respect to the issuance of Lease Revenue Bonds and any impact to the private sector from the construction of the Facility to be funded by the Bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated; and
- (2) Any other business that may come before said meeting.

DATED this 17th day of June, 2019.

LOCAL BUILDING AUTHORITY
OF SAN JUAN COUNTY

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: Kenneth Maryboy
Willie Grayeyes
Bruce Adams

Nay: None.

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

The Resolution is as follows:

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE LOCAL BUILDING AUTHORITY OF SAN JUAN COUNTY, UTAH AUTHORIZING AND APPROVING THE EXECUTION BY THE AUTHORITY OF AN ANNUALLY RENEWABLE LEASE AGREEMENT, BY AND BETWEEN THE AUTHORITY AND SAN JUAN COUNTY, UTAH (THE "COUNTY"); AUTHORIZING THE ISSUANCE AND SALE OF ITS LEASE REVENUE BOND, SERIES 2019 (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 CONSTRUCTION OF A ROAD DEPARTMENT SHOP AND RELATED FACILITIES; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, San Juan County, Utah (the "County") has previously authorized and directed the creation of the Local Building Authority of San Juan County (the "Authority") pursuant to the provisions of a Resolution adopted on February 6, 2012 (the "Creating Resolution"); and

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

WHEREAS, the Authority intends to construct and furnish a road department shop building and related facilities; and

WHEREAS, the County desires to lease, as lessee on an annually renewable basis, the road department shop and related improvements (the “Project”) to be used by the County 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 County as lessee; and

WHEREAS, the Project is to be leased to the County, 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 2019 in the principal amount not to exceed \$1,500,000 (the “Series 2019 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 2019 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 2019 Bond; and

WHEREAS, the Series 2019 Bond shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the County on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the County or constitute a charge against its general credit or taxing power; and

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

WHEREAS, the State of Utah Permanent Community Impact Fund Board (the “Purchaser”) has offered to purchase the Series 2019 Bond and the Authority desires to sell the Series 2019 Bond; and

WHEREAS, the Board of Commissioners, by its Resolution dated June 18, 2019 (the “County Resolution”) shall authorize, approve and direct the execution of the Lease and shall authorized the issuance of the Series 2019 Bond and acquisition of the Project, and shall further authorize the execution of the Lease, the Master Resolution and the Security Documents, and certain other acts to be taken by the Authority in connection therewith; and

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

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

WHEREAS, in order to allow for flexibility in setting the financial terms of the Series 2019 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 2019 Bonds shall be sold and any changes with this Resolution, provided that such terms do not exceed the parameters set forth for such terms in Sections 6 and 17 of this Resolution (the “Parameters”);

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LOCAL BUILDING AUTHORITY OF SAN JUAN COUNTY AS FOLLOWS:

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution, the County Resolution or the Creating Resolution) by the Governing Board and by the officers of the Authority directed toward the issuance of the Series 2019 Bond are hereby ratified, approved and confirmed.

Section 2. The Governing Board hereby authorizes, approves and directs the leasing of the Project to the County 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 2019 Bond, and for such other purposes as may be

authorized under the Master Resolution, the Authority shall issue the Series 2019 Bond which shall be designated the “Local Building Authority of San Juan County Lease Revenue Bond, Series 2019.”

Section 6. The Authority hereby authorizes the issuance and sale of the Series 2019 Bond to the State of Utah Permanent Community Impact Fund Board (the “Purchaser”) in an amount not to exceed \$1,500,000, to bear interest at a rate not to exceed 3.0% per annum and to mature in not to more than 15 years from their date or dates. The Series 2019 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 2019 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 2019 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 2019 Bond, to place thereon the seal of the Authority and to deliver the Series 2019 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 2019 Bond and to authenticate the Series 2019 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 County 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 2019 Bond.

Section 9. Upon the issuance, the Series 2019 Bond will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2019 Bond and the Master Resolution. No provision of this resolution or of the Lease, the Master Resolution, the Security Documents, the Series 2019 Bond, or any other instrument, shall be construed as creating a general obligation of the County, or as incurring or creating a charge upon the general credit of the County or its taxing powers. As specified by the County in the County Resolution, the County 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 2019 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 County 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 County Resolution, the Creating Resolution or any resolution adopted by the County or the Authority, or the provisions of the laws of the State of Utah or the United States.

Section 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 2019 Bond, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the County 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 2019 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 2019 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 2019 Bonds or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2019 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 2019 Bond by the holders thereof from time to time, the obligations and undertakings of the County 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 2019 Bond and the County 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 2019 Bond or the County until the Series 2019 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 2019 Bond is delivered to the Purchaser and upon receipt of payment therefore, this Resolution shall be and remain irrevocable until the Series 2019 Bond is deemed to have been fully discharged in accordance with the terms and provisions of the Master Resolution.

Section 17. The Issuer shall hold a public hearing on July 16, 2019, 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 Facility 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 in substantially the following form:

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE IS HEREBY GIVEN that on June 18, 2019, the Board of Trustees of the Local Building Authority of 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 provisions of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (collectively, the "Act"), as amended and to call a public hearing to receive input from the public with respect to the issuance of the Bonds.

The Issuer shall hold a public hearing on July 16, 2019, at the hour of 11:00 a.m. The location of the public hearing is at 117 South Main, Monticello, 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 that the Project financed in whole or in part with the proceeds of the Bonds may have on the private sector. All members of the public are invited to attend and participate.

DATED this 18th day of June, 2019.

/s/ John Nielson
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 June 18, 2019, the Board of Trustees of the Local Building Authority of 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 provisions of the Utah Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (collectively, the "Act").

The Issuer intends to issue the Bonds in the principal amount of not to exceed \$1,500,000, to bear interest at a rate not to exceed 3.0% per annum, to mature in not to more than 15 years from their date or dates, and to be sold at a price not less than 100% of the total principal amount thereof, plus accrued interest, if any, to the date of delivery. The Bonds will specify that any installment of principal on the Bonds which shall not be paid when due shall bear interest at the rate of 18% per annum from the due date thereof until paid.

The Issuer intends to issue the Bonds for the purpose of (i) financing a portion of the cost of constructing a road department shop and related facilities; and (ii) paying costs of issuing the Bonds.

OUTSTANDING BONDS SECURED BY THE SAME REVENUE

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

ESTIMATED TOTAL COST OF THE BONDS

Although the Issuer has authorized the issuance of Bonds in an amount up to \$1,500,000 in principal amount with interest of not to exceed 3.0% per annum, the Issuer currently anticipates issuing a Bond in the amount of \$905,000 bearing interest at the rate of 2.5% per annum, which would result in a total cost of the Bond to be \$1,033,975, including \$128,975 of interest.

A copy of the Resolution is on file in the office of the County Clerk in San Juan County, Utah, where it may be examined during regular business hours of the County Clerk from 8:00 a.m. to 5:00 p.m., Monday through Friday.

NOTICE IS FURTHER GIVEN that pursuant to law for a period of thirty (30) days from and after the date of the publication of this notice, any person in interest shall have the right to contest the legality of the above-described Resolution of the Board of Trustees of the Authority adopted on June 18, 2019, the Master Resolution (only as it relates to the Bonds), or the Bonds or any provision made for the security and payment of the Bonds, and that after such time no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

DATED this 18th day of June, 2019.

/s/ John Nielson
Secretary

[Publish one time only.]

Section 18. 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 19. This Resolution shall become effective immediately upon adoption by the Governing Board of the Authority.

ADOPTED AND APPROVED by the Board of Trustees of the Local Building Authority of San Juan County, Utah, this 18th day of June, 2019.

LOCAL BUILDING AUTHORITY
OF SAN JUAN COUNTY

By _____
President

ATTEST:

Secretary
[SEAL]

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

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

LOCAL BUILDING AUTHORITY
OF SAN JUAN COUNTY

By _____
President

ATTEST:

Secretary
[SEAL]

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

I, JOHN NIELSON, hereby certify that I am the duly appointed, qualified and acting Secretary of the Local Building Authority of San Juan County.

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 June 18, 2019, 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 June 18, 2019.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said Authority this 18th day of June, 2019.

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. ____]