

AGENDA – Local Building Authority Special Meeting

Chair Jim Miller

Vice-Chair/Trustee Michael McOmber

Trustee Christopher Carn

Trustee Ryan Poduska

Trustee Chris Porter

Trustee Stephen Willden

LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH

Tuesday, October 17, 2023, 6:00 pm

City of Saratoga Springs Council Chambers

1307 North Commerce Drive, Suite 200, Saratoga Springs, UT 84045

1. Call to Order.
2. Roll Call.

BUSINESS ITEMS:

The Trustees will discuss (without public comment) and may approve the following items:

1. Consideration of Officer Organization - A Resolution Adopting Bylaws for the Local Building Authority of the City of Saratoga Springs, Utah; Confirming the Election of Officers for Such Authority; and Authorizing Other Action On Behalf of the Authority; Resolution LBA R23-1 (10-17-23).
2. Consideration of Adoption of Parameters (Super) Resolution of Authority – A Resolution of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”) Authorizing the Issuance and Sale of Not More Than \$40,000,000 Aggregate Principal Amount of Lease Revenue Bonds, Series 2023 (the “Series 2023 Bonds”); Delegating to Certain Officers of the Authority the Ability to Approve the Final Terms and Provisions of the Series 2023 Bonds Within the Parameters Set Forth Herein; Fixing the Maximum Aggregate Principal Amount of the Series 2023 Bonds, the Maximum Number of Years Over Which the Series 2023 Bonds May Mature, the Maximum Interest Rate Which the Series 2023 Bonds May Bear, and the Maximum Discount from Par at Which the Series 2023 Bonds May be Sold; Calling a Public Hearing; Providing For the Posting of a Notice of Public Hearing and Bonds to Be Issued; Providing for the Running of a Contest Period; Authorizing and Approving the Execution By the Authority of General Indenture of Trust and a First Supplemental Indenture of Trust, a Bond Purchase Contract, a Master Lease Agreement, Security Documents, a Ground Lease, and Other Documents Necessary for the Issuance of the Series 2023 Bonds; Authorizing and Approving the Use and Distribution of a Preliminary Official Statement and An Official Statement; Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated By This Resolution; and Related Matters; Resolution LBA R23-2 (10-17-23).

ADJOURNMENT: Reconvene to City Council Meeting.

Date Posted: October 12, 2023
Cindy LoPiccolo, MMC, City Recorder
City of Saratoga Springs, State of Utah

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The order of the agenda items are subject to change by the Mayor.

BYLAWS
OF
THE LOCAL BUILDING AUTHORITY
OF
THE CITY OF SARATOGA SPRINGS, UTAH

ARTICLE I

OFFICES

The principal corporate office of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”), shall be located at 1307 North Commerce Drive, Saratoga Springs, Utah.

ARTICLE II

PURPOSE

The objects and purposes for which the Authority is founded and incorporated are to construct, acquire, improve or extend one or more projects and to finance their costs on behalf of the City of Saratoga Springs, Utah (the “City”), in accordance with the procedures and subject to the limitations of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “Act”), in order to accomplish the purposes for which the City exists.

In furtherance thereof, the Authority shall have all of the powers set forth in the Act and the Constitution and other laws of the State of Utah. The Authority shall not, however, undertake any of the activities set forth in the preceding paragraph without prior authorization therefor by the City Council of the City (the “City Council”).

The purpose and essence of the Authority shall be purely civic, benevolent, charitable, and philanthropic. The Authority shall not possess or exercise any power or authority either expressly, by interpretation, or by operation of law that would prevent it at any time from qualifying and continuing to qualify as a corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, nor shall it engage directly or indirectly in any activity which would cause the loss of such qualification. It is hereby expressly declared that this Authority has been organized not for gain, and that no loans, dividends, or other distributions shall ever be declared or paid to any of its trustees or officers. The Authority shall have no shareholders and shall not issue shares of stock and none of its property, real or personal, shall ever be used or expended except in carrying into effect the legitimate ends and aims of the Authority.

At no time shall the Authority engage in any activities which are unlawful under the laws of the United States of America, the State of Utah, or any other jurisdiction wherein it conducts its

activities. No substantial part of the activities of the Authority shall include the carrying on of propaganda, or otherwise attempting to influence legislation and the Authority shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE III

GOVERNING BOARD

Section 1. General Powers. The affairs of the Authority shall be managed by a governing board (the “Governing Board”).

Section 2. Number, Tenure, and Qualifications. The number of trustees shall be six and shall consist of the members of the City Council as may from time to time serve on such City Council, and any change in the composition of the membership of the City Council shall automatically and without any action required hereunder operate to change the composition of the membership of the Governing Board. The initial trustees are designated in the Articles of Incorporation, and each shall serve as a member of the Governing Board for a term of four years or until his/her death, incapacity, resignation, or removal from such office or, if applicable, until such officer shall cease to be a member Council. Whenever a member of the Governing Board shall cease to be a member Council, his/her successor shall, upon his/her election and qualification for office, thereupon become a member of the Governing Board. To the extent permitted by law, members of the Governing Board may be removed and replaced by the City Council at any time in its discretion.

Section 3. Regular Meetings. Regular meetings of the Governing Board shall be held in compliance with the laws of the State of Utah relating to open and public meetings, Title 52, Chapter 4, Utah Code Annotated 1953, as amended (the “Open and Public Meetings Act”), at such times and places as the Governing Board may by resolution designate.

Section 4. Special Meetings. Special meetings of the Governing Board may be called by or at the request of the Chair/President of the Governing Board (the “Chair-President”) or any two trustees and shall be held in compliance with the Open and Public Meetings Act, at the principal office of the Authority or at such other place as the Chair/President may determine.

Section 5. Notice. Public notice of all meetings of the Governing Board shall be given in accordance with the Open and Public Meetings Act. Notice to the trustees of any regular meeting of the Governing Board shall be deemed given upon the enactment of the resolution scheduling such meeting. Notice to the trustees of any special meeting of the Governing Board shall be given at least twenty-four (24) hours previously thereto by written notice delivered personally.

Section 6. Quorum. A majority of the then current membership of the Governing Board shall constitute a quorum for the transaction of business at any meeting of the Governing Board; but if fewer than a majority of the trustees of the Governing Board are present at any meeting, a majority of the trustees present may adjourn the meeting from time to time without further notice.

Section 7. Governing Board Decisions. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Governing Board, unless the act of a greater number is required by law or by these bylaws (the “Bylaws”).

Section 8. Compensation. Trustees as such shall not receive any compensation for their services, but by resolution of the Governing Board, expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the Governing Board. Nothing herein contained shall be construed to preclude any trustee from serving the Authority in any other capacity and receiving compensation therefor.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chair of the Governing Board, who shall also serve as President of the Authority (the “Chair/President”), a Vice President, a Secretary-Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. Any two or more offices may be held by the same person, except the offices of Chair/President and Secretary-Treasurer. Upon their election by the Governing Board or other qualification for office, each officer shall serve a term of four years or until his/her death, incapacity, resignation, or removal from such office or, if applicable, until such officer shall cease to be a member of the City Council.

Section 2. Election. The officers of the Authority shall be elected by the Governing Board. New offices may be created and filled at any meeting of the Governing Board.

Section 3. Removal. Any officer elected or appointed by the Governing Board may be removed by the Governing Board whenever in its judgment the best interests of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, disqualification, or otherwise, may be temporarily filled by another member of the Governing Board for the unexpired portion of the term.

Section 5. Powers and Duties. The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Governing Board. In the absence of such specifications, each officer shall have the powers and authority and shall perform and discharge the duties of officers of the same title serving in nonprofit corporations having the same or similar general purposes and objectives as this Authority. The powers and the duties of the Chair/President of the Governing Board shall be to make application and implementation of policies and procedures for the day-to-day operation of the Authority and for the operation and administration of any real or personal property owned or controlled by the Authority. The Chair/President of the Governing Board shall also implement the policies as adopted by the Governing Board; and provide a liaison between the Authority and the City Council and citizens of the City. In the absence of the Chair/President, the Vice President is hereby authorized by these bylaws to act in his place.

ARTICLE V

COMMITTEES

The Governing Board, in its discretion, may constitute and appoint committees to assist in the supervision, management, and control of the affairs of the Authority with responsibilities and powers appropriate to the nature of the several committees and as provided by the Governing Board in the resolution of appointment or in subsequent resolutions and directives. Each committee so constituted and appointed by the Governing Board shall serve at the pleasure of the Governing Board. In addition to such obligations and functions as may be expressly provided by the Governing Board, each committee constituted pursuant to these Bylaws and appointed by the Governing Board shall from time to time report to and advise the Governing Board on corporate affairs within its particular area of responsibility and interest. The Governing Board may provide by general resolution applicable to all such committees for the organization and conduct of the business of the committees. Such committees as provided in this section of these Bylaws shall not have nor exercise the authority of the Governing Board in the management of the Authority. Any member of such committee may be removed by the Governing Board whenever in its judgment the best interests of the Authority shall be served by such removal.

ARTICLE VI

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Governing Board may authorize any officer or officers, agent, or agents of the Authority to enter into any contract, to execute and deliver any instrument in the name of and on behalf of the Authority and such authority may be general or may be confined to specific instances.

Section 2. Checks, Drafts, or Orders. All checks, drafts, orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent, or agents of the Authority, and in such manner as shall from time to time be determined by resolution of the Governing Board. In the absence of such determination by the Governing Board, such instruments shall be signed by the Chair/President or Vice President and countersigned by the Secretary-Treasurer of the Authority.

Section 3. Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such banks, trust companies, or other depositaries as the Governing Board may select.

Section 4. Gifts. The Governing Board may accept on behalf of the Authority any contribution, gift, bequest, or devise for any purpose of the Authority.

ARTICLE VII

BOOKS AND RECORDS

The Authority shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Governing Board and committees.

ARTICLE VIII

SEAL

The corporate seal for the Authority shall be circular in shape with the words “Local Building Authority Seal” at the top and the words “The City of Saratoga Springs” at the bottom located on the perimeter of the seal.

ARTICLE IX

WAIVER OF NOTICE

Whenever a notice is required to be given to a member of the Governing Board under the provisions of the statutes of the State of Utah or under the provisions of these Bylaws of the Authority or under the Articles of Incorporation of this Authority, a waiver thereof in writing by each trustee entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

MANNER OF OPERATION

Section 1. Operation to be for the Public Good. The Authority shall at all times conduct its operations in a manner consistent with the best interests of the City and the citizens thereof. It is hereby declared that the Authority, having been created pursuant to a resolution duly and regularly adopted by the City Council shall at all times act with the approval of the City Council given by means of a resolution, ordinance, or other official approval of such body.

Section 2. Compliance with Other Requirements of Law. The Authority has been created under and pursuant to the Act and the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and shall operate in strict accordance therewith. The officers of the Authority shall at all times do such things as are required of corporations created under such acts and as may be necessary and proper to preserve and protect the existence of the Authority thereunder.

Section 3. Compliance with Certain Federal Income Tax Revisions. The Authority has been created with the intent that it would qualify as a corporation described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as well as under any similar provision

of the Internal Revenue Code subsequently enacted. Accordingly, the Authority shall undertake no action which would result in the Authority failing to qualify as a corporation described under said Section of the Internal Revenue Code subsequently enacted.

The undersigned, being the Secretary-Treasurer of the Authority, does hereby certify that the foregoing Bylaws have been duly adopted as Bylaws of the Authority and are the full and complete Bylaws of the Authority as of this date.

DATED at Saratoga Springs, Utah, this October 17, 2023.

By: _____
Nicolette Fike, Secretary-Treasurer

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE GOVERNING BOARD OF THE LOCAL BUILDING
AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH:

NOTICE IS HEREBY GIVEN that a special meeting of the Governing Board of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”) will be held at the Governing Board’s regular meeting place on October 17, 2023, for the purpose of adopting bylaws for the Authority, confirming the election of the officers for the Authority, and related matters, and for the transaction of such other business incidental to the foregoing as may come before said meeting.

Nicolette Fike, Secretary-Treasurer

ACKNOWLEDGMENT OF NOTICE
AND CONSENT TO SPECIAL MEETING

We, the Chair/President and Trustees of the Governing Board of the Authority, do hereby acknowledge receipt of the foregoing Notice of Special Meeting, and we hereby waive any and all irregularities, if any, in such notice and in the manner of service thereof upon us and consent and agree to the holding of such special meeting at the time and place specified in said notice, and to the transaction of any and all business which may come before said meeting.

Jim Miller, Chair/President

Michael McOmber, Trustee

Christopher Carn, Trustee

Ryan Poduska, Trustee

Chris Porter, Trustee

Stephen Willden, Trustee

Saratoga Springs, Utah

October 17, 2023

The Board of Trustees (the “Governing Board”) of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”), met in special session in Saratoga Springs, Utah, on October 17, 2023, at 6:00 p.m., with the following Trustees being present:

Jim Miller	[Chair/President]
Christopher Carn	[Vice Chair/President]
Michael McOmber	Trustee
Chris Porter	Trustee
Ryan Poduska	Trustee
Stephen Willden	Trustee

Also present:

Nicolette Fike	Secretary-Treasurer
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, a Certificate of Compliance with Open Meeting Law with respect to this October 17, 2023, meeting was presented to the Board, a copy of which is attached hereto as Exhibit A.

Thereupon, Trustee _____ introduced the following resolution in writing, which was thereupon read and moved for its adoption. Trustee _____ seconded the motion to adopt said resolution and the motion and resolution were adopted on the following recorded vote:

Those voting AYE:

Those voting NAY:

The resolution was then signed by the Chair/President in open meeting and recorded by the Secretary-Treasurer in the official records of the Local Building Authority of the City of Saratoga Springs, Utah. The resolution is as follows:

RESOLUTION NO. LBA R23-1 (10-17-23)

A RESOLUTION ADOPTING BYLAWS FOR THE LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH; CONFIRMING THE ELECTION OF OFFICERS FOR SUCH AUTHORITY; AND AUTHORIZING OTHER ACTION ON BEHALF OF THE AUTHORITY.

WHEREAS, by a resolution (the “City Resolution”) adopted by the City Council (the “City Council”) of the City of Saratoga Springs, Utah (the “City”) on September 19, 2023, the City Council has authorized, approved, and directed, the creation of the Local Building Authority of The City of Saratoga Springs, Utah (the “Authority”), under the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “Act”) for the purpose of accomplishing the public purposes for which the City exists by acquiring, improving or extending one or more projects, as defined in the Act, and financing their costs on behalf of the City; and

WHEREAS, pursuant to the City Resolution, the Articles of Incorporation for the Authority (the “Articles”) have been filed by the incorporators of the Authority with the Department of Commerce of the State of Utah; and

WHEREAS, the Department of Commerce of the State of Utah has heretofore issued a Certificate of Incorporation for the Authority establishing in all respects the due incorporation and creation of the Authority; and

WHEREAS, pursuant to the City Resolution and under the Articles, the Board of Trustees of the Authority (the “Governing Board”) has been authorized to elect officers, adopt bylaws, and to take other action on behalf of the Authority; and

WHEREAS, this organizational meeting of the Governing Board has been duly called pursuant to prescribed notice by the incorporators of the Authority for the purposes set forth in such notice;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH, AS FOLLOWS:

Section 1. Bylaws for the Authority in the form attached hereto as Exhibit B and as approved by the Board are hereby adopted by the Board of Trustees of the Authority pursuant to their authority under the Articles.

Section 2. The following members and officers of the Governing Board are hereby elected to the respective offices of the Authority set forth below:

Office

Candidate

Chair/President

Vice Chair/President

Secretary-Treasurer

Section 3. The officers of the Authority shall file such annual or other reports as are required to be filed with the Department of Commerce of the State of Utah and any other public office and shall do all things necessary and proper to preserve and keep in full force and effect the existence of this Authority.

A motion to adopt the foregoing resolution (the "Resolution") was then duly made by Trustee _____, duly seconded by Trustee _____, and was put to vote and carried, the vote being as follows:

AYE:

NAY:

Thereupon, the Chair/President of the Authority declared the motion carried and the Resolution adopted, and the Secretary-Treasurer was directed to enter the foregoing proceedings and Resolution upon the minutes of the Governing Board.

The foregoing resolution of the Governing Board of the Authority was adopted and approved this October 17, 2023.

LOCAL BUILDING AUTHORITY OF THE CITY
OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Jim Miller, Chair/President

ATTEST:

By: _____
Nicolette Fike, Secretary-Treasurer

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

I, Nicolette Fike, the undersigned duly qualified and acting Secretary-Treasurer of the Local Building Authority of the City of Saratoga Springs (the “Authority”), do hereby certify as follows:

That the foregoing typewritten pages constitute a full, true and correct copy of the record of proceedings of the Board of Trustees of the Authority taken at a meeting thereof held on October 17, 2023, commencing at the hour of 6:00 p.m., insofar as said proceedings relate to the consideration and adoption of a resolution authorizing the creation of a building authority; that I personally attended said meeting, and that the proceedings were in fact held as in said minutes specified.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and affixed the seal of the Authority this October 17, 2023.

(SEAL)

By: _____
Nicolette Fike, Secretary-Treasurer

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Nicolette Fike, the duly qualified and acting Secretary-Treasurer of the Local Building Authority of the City of Saratoga Springs 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, 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 October 17, 2023, public meeting held by the Authority as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the Authority’s principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

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

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Authority’s official website at least twenty-four (24) hours prior to the convening of the meeting.

The Authority does not schedule its meetings in advance over the course of the year.

IN WITNESS WHEREOF, I have hereunto subscribed my signature this October 17, 2023.

(SEAL)

By: _____
Nicolette Fike, Secretary-Treasurer

SCHEDULE 1

NOTICE OF MEETING

AGENDA – Local Building Authority Special Meeting

Chair Jim Miller

Vice-Chair/Trustee Michael McOmber

Trustee Christopher Carn

Trustee Ryan Poduska

Trustee Chris Porter

Trustee Stephen Willden

LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH

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EXHIBIT B

BYLAWS

BYLAWS
OF
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OF
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ARTICLE I

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At no time shall the Authority engage in any activities which are unlawful under the laws of the United States of America, the State of Utah, or any other jurisdiction wherein it conducts its

activities. No substantial part of the activities of the Authority shall include the carrying on of propaganda, or otherwise attempting to influence legislation and the Authority shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

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ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chair of the Governing Board, who shall also serve as President of the Authority (the “Chair/President”), a Vice President, a Secretary-Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. Any two or more offices may be held by the same person, except the offices of Chair/President and Secretary-Treasurer. Upon their election by the Governing Board or other qualification for office, each officer shall serve a term of four years or until his/her death, incapacity, resignation, or removal from such office or, if applicable, until such officer shall cease to be a member of the City Council.

Section 2. Election. The officers of the Authority shall be elected by the Governing Board. New offices may be created and filled at any meeting of the Governing Board.

Section 3. Removal. Any officer elected or appointed by the Governing Board may be removed by the Governing Board whenever in its judgment the best interests of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, disqualification, or otherwise, may be temporarily filled by another member of the Governing Board for the unexpired portion of the term.

Section 5. Powers and Duties. The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Governing Board. In the absence of such specifications, each officer shall have the powers and authority and shall perform and discharge the duties of officers of the same title serving in nonprofit corporations having the same or similar general purposes and objectives as this Authority. The powers and the duties of the Chair/President of the Governing Board shall be to make application and implementation of policies and procedures for the day-to-day operation of the Authority and for the operation and administration of any real or personal property owned or controlled by the Authority. The Chair/President of the Governing Board shall also implement the policies as adopted by the Governing Board; and provide a liaison between the Authority and the City Council and citizens of the City. In the absence of the Chair/President, the Vice President is hereby authorized by these bylaws to act in his place.

ARTICLE V

COMMITTEES

The Governing Board, in its discretion, may constitute and appoint committees to assist in the supervision, management, and control of the affairs of the Authority with responsibilities and powers appropriate to the nature of the several committees and as provided by the Governing Board in the resolution of appointment or in subsequent resolutions and directives. Each committee so constituted and appointed by the Governing Board shall serve at the pleasure of the Governing Board. In addition to such obligations and functions as may be expressly provided by the Governing Board, each committee constituted pursuant to these Bylaws and appointed by the Governing Board shall from time to time report to and advise the Governing Board on corporate affairs within its particular area of responsibility and interest. The Governing Board may provide by general resolution applicable to all such committees for the organization and conduct of the business of the committees. Such committees as provided in this section of these Bylaws shall not have nor exercise the authority of the Governing Board in the management of the Authority. Any member of such committee may be removed by the Governing Board whenever in its judgment the best interests of the Authority shall be served by such removal.

ARTICLE VI

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Governing Board may authorize any officer or officers, agent, or agents of the Authority to enter into any contract, to execute and deliver any instrument in the name of and on behalf of the Authority and such authority may be general or may be confined to specific instances.

Section 2. Checks, Drafts, or Orders. All checks, drafts, orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent, or agents of the Authority, and in such manner as shall from time to time be determined by resolution of the Governing Board. In the absence of such determination by the Governing Board, such instruments shall be signed by the Chair/President or Vice President and countersigned by the Secretary-Treasurer of the Authority.

Section 3. Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such banks, trust companies, or other depositaries as the Governing Board may select.

Section 4. Gifts. The Governing Board may accept on behalf of the Authority any contribution, gift, bequest, or devise for any purpose of the Authority.

ARTICLE VII

BOOKS AND RECORDS

The Authority shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Governing Board and committees.

ARTICLE VIII

SEAL

The corporate seal for the Authority shall be circular in shape with the words “Local Building Authority Seal” at the top and the words “The City of Saratoga Springs” at the bottom located on the perimeter of the seal.

ARTICLE IX

WAIVER OF NOTICE

Whenever a notice is required to be given to a member of the Governing Board under the provisions of the statutes of the State of Utah or under the provisions of these Bylaws of the Authority or under the Articles of Incorporation of this Authority, a waiver thereof in writing by each trustee entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

MANNER OF OPERATION

Section 1. Operation to be for the Public Good. The Authority shall at all times conduct its operations in a manner consistent with the best interests of the City and the citizens thereof. It is hereby declared that the Authority, having been created pursuant to a resolution duly and regularly adopted by the City Council shall at all times act with the approval of the City Council given by means of a resolution, ordinance, or other official approval of such body.

Section 2. Compliance with Other Requirements of Law. The Authority has been created under and pursuant to the Act and the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and shall operate in strict accordance therewith. The officers of the Authority shall at all times do such things as are required of corporations created under such acts and as may be necessary and proper to preserve and protect the existence of the Authority thereunder.

Section 3. Compliance with Certain Federal Income Tax Revisions. The Authority has been created with the intent that it would qualify as a corporation described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as well as under any similar provision

of the Internal Revenue Code subsequently enacted. Accordingly, the Authority shall undertake no action which would result in the Authority failing to qualify as a corporation described under said Section of the Internal Revenue Code subsequently enacted.

The undersigned, being the Secretary-Treasurer of the Authority, does hereby certify that the foregoing Bylaws have been duly adopted as Bylaws of the Authority and are the full and complete Bylaws of the Authority as of this date.

DATED at Saratoga Springs, Utah, this October 17, 2023.

By: _____
Nicolette Fike, Secretary-Treasurer

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE GOVERNING BOARD OF THE LOCAL BUILDING
AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH:

NOTICE IS HEREBY GIVEN that a special meeting of the Governing Board of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”) will be held at the Governing Board’s regular meeting place on October 17, 2023, for the purpose of authorizing the issuance and sale of the Authority’s Lease Revenue Bonds, Series 2023, in a total principal amount of not more than \$40,000,000, and related matters, and for the transaction of such other business incidental to the foregoing as may come before said meeting.

Nicolette Fike, Secretary-Treasurer

ACKNOWLEDGMENT OF NOTICE
AND CONSENT TO SPECIAL MEETING

We, the Chair/President and Trustees of the Governing Board of the Authority, do hereby acknowledge receipt of the foregoing Notice of Special Meeting, and we hereby waive any and all irregularities, if any, in such notice and in the manner of service thereof upon us and consent and agree to the holding of such special meeting at the time and place specified in said notice, and to the transaction of any and all business which may come before said meeting.

Jim Miller, Chair/President

Michael McOmber, Trustee

Christopher Carn, Trustee

Ryan Poduska, Trustee

Chris Porter, Trustee

Stephen Willden, Trustee

Saratoga Springs, Utah

October 17, 2023

The Board of Trustees (the “Governing Board”) of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”), met in special session in Saratoga Springs, Utah, on October 17, 2023, at 6:00 p.m., with the following Trustees being present:

Jim Miller	Chair/President
Michael McOmber	Vice Chair/Vice President
Chris Carn	Trustee
Ryan Poduska	Trustee
Chris Porter	Trustee
Stephen Willden	Trustee

Also present:

Nicolette Fike	Secretary-Treasurer
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the Secretary-Treasurer presented to the Governing Board a Certificate of Compliance with Open Meeting Law with respect to this October 17, 2023, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, a, was adopted by the following vote:

AYE:

NAY:

The resolution was then signed by the Chair/President in open meeting and recorded by the Secretary-Treasurer in the official records of the Local Building Authority of the City of Saratoga Springs, Utah. The resolution is as follows:

RESOLUTION NO. LBA R23-2 (10-17-23)

A RESOLUTION OF THE LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH (THE “AUTHORITY”) AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$40,000,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE BONDS, SERIES 2023 (THE “SERIES 2023 BONDS”); DELEGATING TO CERTAIN OFFICERS OF THE AUTHORITY THE ABILITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE SERIES 2023 BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE SERIES 2023 BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE SERIES 2023 BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE SERIES 2023 BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE SERIES 2023 BONDS MAY BE SOLD; CALLING A PUBLIC HEARING; PROVIDING FOR THE POSTING OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING AND APPROVING THE EXECUTION BY THE AUTHORITY OF GENERAL INDENTURE OF TRUST AND A FIRST SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE CONTRACT, A MASTER LEASE AGREEMENT, SECURITY DOCUMENTS, A GROUND LEASE, AND OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE SERIES 2023 BONDS; AUTHORIZING AND APPROVING THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of the City of Saratoga Springs, Utah (the “City”) has previously authorized and directed the creation of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”); and

WHEREAS, pursuant to the direction of the City, 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 the laws of the State of Utah, including, in particular, the provisions of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “Building Authority Act”); and

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

WHEREAS, the Authority desires to issue its Lease Revenue Bonds, Series 2023 (to be issued in one or more series and with such other or further designation(s) as the Authority may

determine) (the “Series 2023 Bonds”), in an aggregate principal amount of not to exceed \$40,000,000 to (a) finance the acquisition and construction of city offices and all related improvements (the “2023 Project”); (b) fund capitalized interest with respect to the Series 2023 Bonds; (c) fund any required deposits to a debt service reserve fund; and (d) pay costs associated with the issuance of the Series 2023 Bonds; and

WHEREAS, the Act provides for the posting of a Notice of Public Hearing and Bonds to be Issued, and the Authority desires to publish such notice in compliance with the Act with respect to the Series 2023 Bonds to thereby initiate the running of a contest period; and

WHEREAS, pursuant to Sections 11-14-316, 11-14-318 and 17D-2-502 of the Act, the Notice of Public Hearing and Bonds to be Issued (a) shall constitute the notice of intent to issue bonds, (b) shall constitute notice of a public hearing to receive input from the public with respect to the Series 2023 Bonds, and (c) will provide for a 30-day period during which the active voters of the City may submit a written petition requesting an election to approve or disapprove the issuance of the Series 2023 Bonds; and

WHEREAS, it is anticipated that the City will be the owner of a fee simple interest to certain parcels on which the 2023 Project is located and the Authority desires to lease such properties from the City pursuant to the terms and provisions of a Ground Lease Agreement (a “Ground Lease”) in substantially the form presented to this meeting and attached hereto as Exhibit E and herein authorized and approved; and

WHEREAS, the Authority desires to lease the 2023 Project, as lessor, on an annually renewable basis, to the City, as lessee, pursuant to the terms and provisions of a Master Lease Agreement, (the “Lease”) by and between the Authority and the City in substantially the form presented to the Governing Board at this meeting and attached hereto as Exhibit C; and

WHEREAS, the Authority proposes to (i) finance the costs associated with the 2023 Project, (ii) fund a capitalized interest account with respect to the Series 2023 Bonds, (iii) fund the deposit of any required reserve, and (iv) pay the costs of issuance of the Series 2023 Bonds by means of the issuance of the Series 2023 Bonds issued pursuant to a General Indenture of Trust and a First Supplemental Indenture of Trust (together, the “Indenture”) between a trustee and the Authority, in substantially the form presented to the Governing Board at this meeting and attached hereto as Exhibit B; and

WHEREAS, to further secure its payment obligations under the Indenture, the Authority proposes to grant a lien on and security interest in the 2023 Project pursuant to the following: (i) a Leasehold Deed of Trust, Assignment of Rents and Security Agreement, and (ii) an Assignment of Ground Lease in substantially the forms presented to this meeting and attached hereto as Exhibit D (collectively the “Security Documents”); and

WHEREAS, there has been presented to the Governing Board at this meeting a form of a Bond Purchase Contract (the “Bond Purchase Contract”) to be entered into between the Authority, the City, and the Underwriter selected by the Authority for the Series 2023 Bonds (the “Underwriter”), in substantially the form attached hereto as Exhibit E, in the event that the Series

2023 Bonds are not sold pursuant to a public bid with an official notice of bond sale or similar document; and

WHEREAS, in the event that the Designated Officer (defined below) determines that it is in the best interests of the Authority to publicly offer all or a portion of the Series 2023 Bonds, the Authority desires to authorize the use and distribution of a Preliminary Official Statement (the “Preliminary Official Statement”) in substantially the form attached hereto as Exhibit D, and to approve a final Official Statement (the “Official Statement”) in substantially the form as the Preliminary Official Statement, and other documents relating thereto; and

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

WHEREAS, the Council has or is expected to authorize, approve and direct the execution of the Ground Lease, the Lease, the Indenture, the Bond Purchase Contract and the Security Documents and to authorize the issuance of the Series 2023 Bonds and the financing of the 2023 Project by the Authority and authorize and approve the distribution and use of the Preliminary Official Statement and the Official Statement and to further authorize the execution of the Ground Lease, the Lease, the Indenture, the Bond Purchase Contract, and the Security Documents and certain other acts to be taken by the Authority in connection therewith; and

WHEREAS, in order to allow the Authority (in consultation with the Authority’s municipal advisor (the “Municipal Advisor”), flexibility in setting the pricing date of the Series 2023 Bonds to optimize debt service costs to the Authority, the Governing Board desires to grant to any one of the following: Chair/President or Vice-Chair (the “Designated Officers”), the authority to (a) determine whether all or a portion of the Series 2023 Bonds should be sold pursuant to a private placement or a public offering (including via a negotiated underwriting or public bid), (b) approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2023 Bonds shall be sold; (c) select the Underwriter/Purchaser of the Series 2023 Bonds and any changes with respect thereto from those terms which were before the Governing Board at the time of adoption of this resolution (this “Resolution”), provided such terms do not exceed the parameters set forth for such terms in this Resolution (the “Parameters”); and

WHEREAS, there has been presented to the Board at this meeting a certificate demonstrating that the useful life of the Project exceeds the final maturity of the Series 2023 Bonds, attached hereto as Exhibit H.

NOW, THEREFORE, it is hereby resolved by the Governing Board of the Local Building Authority of the City of Saratoga Springs, Utah, as follows:

Section 1. Terms defined in the foregoing recitals hereto shall have the same meaning when used in this Resolution.

Section 2. The Governing Board hereby finds and determines that it is in the best interests of the Authority and the residents of the City for the Authority to issue not more than Forty Million Dollars (\$40,000,000) aggregate principal amount of the Authority’s Lease Revenue Bonds, Series 2023, to bear interest at a rate or rates of not to exceed six percent (6.00%) per

annum, to mature in not more than thirty-one (31) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, plus accrued interest, if any, to the date of delivery of the Series 2023 Bonds, for the purpose of (i) financing the 2023 Project, (ii) funding capitalized interest, (iii) funding any required deposits to a debt service reserve fund, and (iv) paying costs of issuance, all pursuant to this Resolution, the Indenture and the Lease, all substantially in the forms attached hereto, as shall be approved by the Designated Officers, all within the Parameters set forth herein. The issuance of the Series 2023 Bonds shall be subject to the final approval of Bond Counsel and to the approval of the Attorney for the Authority.

Section 3. The final interest rate or rates for the Series 2023 Bonds shall be set by the Designated Officers, in consultation with the Municipal Advisor, at the rate or rates which, taking into account the purchase price offered by the Underwriter of the Series 2023 Bonds, will in the opinion of the Designated Officers and the Municipal Advisor result in the lowest cost of funding reasonably achievable given the manner of offering the Series 2023 Bonds at the time of the sale of the Series 2023 Bonds, as evidenced by the execution and delivery of the Bond Purchase Contract.

Section 4. The form of the Indenture attached hereto as Exhibit B is in all respects hereby authorized and approved, and the Chair/President or Vice Chair/Vice President and Secretary-Treasurer is hereby authorized and directed to execute and deliver the same on behalf of the Authority.

Section 5. The Bond Purchase Contract in the form presented to this meeting and attached hereto as Exhibit F is in all respects authorized, approved, and confirmed. The Chair/President or Vice Chair/Vice President and the Secretary-Treasurer are hereby authorized to execute and deliver said Bond Purchase Contract. The Designated Officers are each hereby authorized to select the Purchaser/Underwriter and to specify and agree as to the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2023 Bonds for and on behalf of the Authority, provided that such terms are within the Parameters set by this Resolution. The execution of the Bond Purchase Contract will signify the approval of the Designated Officers.

Section 6. The Lease, the Ground Lease, and the Security Documents, in substantially the respective forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized and confirmed, and the Chair/President or Vice Chair/Vice President and the Secretary-Treasurer are hereby authorized and directed to execute and deliver the same on behalf of the Authority.

Section 7. The Designated Officers of the Authority are authorized to make any alterations, changes or additions to the Indenture, the Bond Purchase Contract, the Preliminary Official Statement, the Official Statement, the Lease, the Security Documents, the Ground Lease, 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 City or the Authority, the

agreements with the Underwriter or the provisions of the laws of the State of Utah or the United States.

Section 8. Should the Designated Officer determine to have the Series 2023 Bonds sold publicly, the Authority hereby authorizes the utilization of the Preliminary Official Statement (including an official notice of sale, if applicable), in the substantially the form attached hereto as Exhibit D, in the marketing of the Series 2023 Bonds and hereby approves an Official Statement in substantially the same form as the Preliminary Official Statement.

Section 9. 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 Indenture. The Chair/President or Vice Chair/Vice President and Secretary-Treasurer are hereby authorized and directed to execute and seal the Series 2023 Bonds and to deliver said Series 2023 Bonds to the Underwriter(s). The signatures of the Chair/President or Vice Chair and the Secretary-Treasurer may be by facsimile or manual execution.

Section 10. Upon their issuance, the Series 2023 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2023 Bonds, the Indenture and the Security Documents. No provision of this Resolution, the Indenture, the Bond Purchase Contract, the Lease, the Security Documents, the Ground Lease, the Series 2023 Bonds, or any other instrument, shall be construed as creating a general obligation of the Authority or the City or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Authority or the City or its taxing powers. The Authority has no taxing power.

Section 11. The Designated Officers and appropriate officials of the Authority, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and 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 the documents authorized and approved herein.

Section 12. After the Series 2023 Bonds are delivered to the Underwriter, and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of the Series 2023 Bonds is deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 13. The Authority shall hold a public hearing on November 7, 2023 at 6:00 p.m. to receive input from the public with respect to (a) the issuance of the Series 2023 Bonds and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2023 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is posted as a Class A notice under Section 63G-30-102 (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (ii) on the City's official website and (iii) in a public location within the City that is reasonably likely to be seen by residents of the City. The Secretary-Treasurer shall cause a copy of this resolution (together with all exhibits hereto) to be kept on file in the City offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and

after the date of posting thereof. The Issuer directs its officers and staff to post a “Notice of Public Hearing and Bonds to be Issued” in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Municipal Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code, as amended (together, the “Act”), that on October 17, 2023, the Governing Board (the “Governing Board”) of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”) adopted a resolution (the “Resolution”) declaring its intention to issue its Lease Revenue Bonds, Series 2023 (the “Bonds”), and calling a public hearing to receive input from the public with respect to the issuance of the Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Authority shall hold a public hearing on Tuesday November 7, 2023, at the hour of 6:00 p.m. The location of the public hearing is at the City offices of Saratoga Springs, Utah (the “City”) located at 1307 North Commerce Drive, Saratoga Springs, Utah. The purpose of the hearing is to receive input from the public with respect to: (a) the proposed Bonds, and (b) any potential economic impact that the improvements, facility or property 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.

PURPOSE FOR ISSUING BONDS

The Authority intends to issue the Bonds to provide funds to (a) finance the acquisition and construction of city offices and all related improvements (the “2023 Project”); (b) fund capitalized interest with respect to the Bonds; (c) fund any required deposits to a debt service reserve fund; and (d) pay costs associated with the issuance of the Bonds.

PARAMETERS OF THE BONDS

The Authority intends to issue the Bonds in a principal amount of not to exceed Forty Million Dollars (\$40,000,000), to bear interest at a rate or rates of not to exceed six percent (6.00%) per annum, to mature in not more than thirty-one (31) years from their date or dates, and to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, plus accrued interest, if any, to the date of delivery of the Bonds.

The Bonds are to be issued and sold by the Authority pursuant to the Resolution, including as attachments to said Resolution a form of the General Indenture of Trust and First Supplemental Indenture of Trust (collectively, the “Indenture”) and a form of a Master Lease Agreement (the “Lease”), which were before the Governing Board at the time of the adoption of the Resolution. The Indenture and the Lease are to be executed by the Authority and/or the City with such terms and provisions and any changes thereto as authorized by the Resolution.

SECURITY FOR THE BONDS

The Bonds are payable solely from the rents, revenues and other income received by the Authority from the leasing of the 2023 Project to the City on an annually renewable basis (the “Lease Revenues”).

OUTSTANDING BONDS SECURED BY LEASE REVENUES

The Authority currently has no bonds outstanding secured by Lease Revenues.

OTHER OUTSTANDING BONDS OF THE AUTHORITY

Information regarding all of the Authority’s outstanding bonds may be found in the City’s audited financial report (the “Financial Report”) at <https://reporting.auditor.utah.gov/searchreports/s/>. For additional information, including any more recent than as of the date of the Financial Report please contact Mark Christensen, City Manager at (801) 766-9793.

TOTAL ESTIMATED COST

Based on an estimate of the current interest rate and financing plan, the estimated total debt service cost of the Bonds, if held until maturity, is \$61,522,129.86.

A copy of the Resolution and the forms of Indenture and the Lease are on file in the City offices, located at 1307 North Commerce Drive, Saratoga Springs, Utah, where they may be examined during regular business hours from 7:00 a.m. to 6:00 p.m., Monday through Thursday, and 8:00 a.m. to 5:00 p.m. on Friday, for a period of at least thirty (30) days from and after the last date of posting of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the posting of this notice is provided by law during which (i) any person in interest shall have the right to contest the legality of the Resolution, the Indenture, the Lease, or the Bonds, or any provision made for the security and payment of the Bonds, and after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever, and (ii) active voters (as defined in Section 20A-1-102 of the Utah Code) within the City may sign a written petition requesting an election to authorize the issuance of the Bonds. If written petitions which have been signed by at least twenty percent (20%) of the active voters of the City are filed with the Authority during said 30-day period, the Authority shall be required to hold an election to obtain voter authorization prior to the issuance of the Bonds. If fewer than twenty percent (20%) of the active voters of the City file a written petition during said 30-day period, the Authority may proceed to issue the Bonds without an election.

DATED this October 17, 2023.

/s/Nicolette Fike
Secretary-Treasurer

Section 14. The Authority hereby expresses its intent that funds of the City or the Authority may be advanced for costs of the 2023 Project and that it intends to reimburse such costs from proceeds of the Series 2023 Bonds.

Section 15. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this October 17, 2023.

(SEAL)

By: _____
Jim Miller Chair/President

ATTEST:

By: _____
Nicolette Fike, Secretary-Treasurer

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

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

(SEAL)

By: _____
Jim Miller, Chair/President

ATTEST:

By: _____
Nicolette Fike, Secretary-Treasurer

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

I, Nicolette Fike, the undersigned, duly qualified, and acting Secretary-Treasurer of the Governing Board (the “Governing Board”) of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”), do hereby certify:

The foregoing pages are a true, perfect and complete copy of the record of proceedings of the Governing Board, had and taken at a lawful special meeting of said Governing Board held at its regular meeting place in Saratoga Springs, Utah, on October 17, 2023, commencing at the hour of 6:00 p.m., as recorded in the regular official book of the proceedings of the Authority kept in my office, and said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein were present at said meeting as therein shown.

All members of the Governing Board were duly notified of said meeting, pursuant to law.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on October 17, 2023, and pursuant to the Resolution, a Notice of Public Hearing and Bonds to be Issued was posted no less than fourteen (14) days before the public hearing date as a Class A notice under Section 63G-30-102: (a) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (b) on the City's official website and (c) in a public location within the City that is reasonably likely to be seen by residents of the City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this October 17, 2023.

(SEAL)

By: _____
Nicolette Fike, Secretary-Treasurer

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Nicolette Fike, the undersigned Secretary-Treasurer of the Governing Board of the Local Building Authority of the City of Saratoga Springs, 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, 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 October 17, 2023, public meeting held by the Authority as follows:

(i) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City’s principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

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

(iii) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the City’s official website at least twenty-four (24) hours prior to the convening of the meeting.

The Authority meets on an “as needed” basis.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this October 17, 2023.

(SEAL)

By: _____
Nicolette Fike, Secretary-Treasurer

SCHEDULE 1

NOTICE OF MEETING

AGENDA – Local Building Authority Special Meeting

Chair Jim Miller

Vice-Chair/Trustee Michael McOmber

Trustee Christopher Carn

Trustee Ryan Poduska

Trustee Chris Porter

Trustee Stephen Willden

LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH

Tuesday, October 17, 2023, 6:00 pm

City of Saratoga Springs Council Chambers

1307 North Commerce Drive, Suite 200, Saratoga Springs, UT 84045

1. Call to Order.
2. Roll Call.

BUSINESS ITEMS:

The Trustees will discuss (without public comment) and may approve the following items:

1. Consideration of Officer Organization - A Resolution Adopting Bylaws for the Local Building Authority of the City of Saratoga Springs, Utah; Confirming the Election of Officers for Such Authority; and Authorizing Other Action On Behalf of the Authority; Resolution LBA R23-1 (10-17-23).
2. Consideration of Adoption of Parameters (Super) Resolution of Authority – A Resolution of the Local Building Authority of the City of Saratoga Springs, Utah (the “Authority”) Authorizing the Issuance and Sale of Not More Than \$40,000,000 Aggregate Principal Amount of Lease Revenue Bonds, Series 2023 (the “Series 2023 Bonds”); Delegating to Certain Officers of the Authority the Ability to Approve the Final Terms and Provisions of the Series 2023 Bonds Within the Parameters Set Forth Herein; Fixing the Maximum Aggregate Principal Amount of the Series 2023 Bonds, the Maximum Number of Years Over Which the Series 2023 Bonds May Mature, the Maximum Interest Rate Which the Series 2023 Bonds May Bear, and the Maximum Discount from Par at Which the Series 2023 Bonds May be Sold; Calling a Public Hearing; Providing For the Posting of a Notice of Public Hearing and Bonds to Be Issued; Providing for the Running of a Contest Period; Authorizing and Approving the Execution By the Authority of General Indenture of Trust and a First Supplemental Indenture of Trust, a Bond Purchase Contract, a Master Lease Agreement, Security Documents, a Ground Lease, and Other Documents Necessary for the Issuance of the Series 2023 Bonds; Authorizing and Approving the Use and Distribution of a Preliminary Official Statement and An Official Statement; Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated By This Resolution; and Related Matters; Resolution LBA R23-2 (10-17-23).

ADJOURNMENT: Reconvene to City Council Meeting.

Date Posted: October 12, 2023
Cindy LoPiccolo, MMC, City Recorder
City of Saratoga Springs, State of Utah

**Meetings are streamed live at <https://www.youtube.com/c/CityofSaratogaSprings>
Questions and comments to staff and/or Authority may be submitted to
comments@saratogasprings-ut.gov**

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify the City Recorder at 801.766.9793 at least two days prior to the meeting.

One or more members may participate by electronic telecommunication means such as phone, internet, etc. so that they may participate in and be counted as present for all meeting purposes, including the determination that a quorum is present.

Supporting materials are available for inspection on the Saratoga Springs City website at www.saratogasprings-ut.gov
The order of the agenda items are subject to change by the Mayor.

EXHIBIT B

GENERAL INDENTURE AND
FIRST SUPPLEMENTAL INDENTURE

GENERAL INDENTURE OF TRUST

Dated as of _____, 2023

between

LOCAL BUILDING AUTHORITY
OF THE CITY OF SARATOGA SPRINGS, UTAH

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

Local Building Authority
of the City of Saratoga Springs, Utah
Lease Revenue Bonds

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	4
Section 1.1 Definitions.....	4
Section 1.2 Indenture to Constitute Contract.	11
Section 1.3 Construction.....	12
ARTICLE II TERMS AND PROVISIONS OF BONDS; ADDITIONAL BONDS AND REFUNDING BONDS	13
Section 2.1 Authorization of Bonds.....	13
Section 2.2 Description of Bonds; Payment.	13
Section 2.3 Execution; Limited Obligation.	14
Section 2.4 Authentication and Delivery of Bonds.	15
Section 2.5 Form of Bonds.	17
Section 2.6 Mutilated, Lost, Stolen or Destroyed Bonds.....	17
Section 2.7 Registration and Exchange of Bonds; Persons Treated as Owners.	17
Section 2.8 Designation of the Trustee as Bond Registrar and Paying Agent and Designation of Any Additional Paying Agents.	18
Section 2.9 Cancellation.	19
Section 2.10 Nonpresentation of Bonds.....	19
Section 2.11 Initial Bonds.....	19
Section 2.12 Temporary Bonds.....	19
Section 2.13 Issuance of Refunding Bonds.	20
Section 2.14 Additional Bonds.	21
ARTICLE III REDEMPTION PROVISIONS	23
Section 3.1 Redemption.....	23
Section 3.2 Extraordinary Redemption.....	23
Section 3.3 Other Redemption Provisions.....	24
Section 3.4 Notice of Redemption.	24
Section 3.5 Redemption Payments.	26
Section 3.6 Cancellation.	26
Section 3.7 Partial Redemption of Bonds.....	26
ARTICLE IV GENERAL COVENANTS.....	26
Section 4.1 Payment of Principal and Premium, if any, and Interest.	26
Section 4.2 Performance of Covenants; Due Authority.....	27
Section 4.3 Ownership; Instruments of Further Assurance.	27
Section 4.4 Perfection of Security Interest.	27
Section 4.5 Inspection of Project Books.....	28
Section 4.6 List of Bondholders.....	28
Section 4.7 Rights Under Master Lease.....	28
Section 4.8 Payment of Taxes, Charges, Insurance. etc.	28

Section 4.9	Maintenance and Repair.	29
Section 4.10	Warranty.	29
Section 4.11	Further Assurances.....	29
Section 4.12	Actions with Respect to Trust Estate.....	29
Section 4.13	Power of Attorney in Respect of the Master Lease.	30
ARTICLE V REVENUES AND FUNDS		30
Section 5.1	Source of Payment of Bonds.....	30
Section 5.2	Creation of Bond Fund.....	30
Section 5.3	Creation of Sinking Fund Account.	30
Section 5.4	Creation of Debt Service Reserve Fund.....	30
Section 5.5	Creation of Construction Fund.....	31
Section 5.6	Creation of Rebate Fund.	31
Section 5.7	Creation of Funds.....	31
Section 5.8	Use of Bond Fund.	31
Section 5.9	Use of Sinking Fund Account.....	32
Section 5.10	Use of Debt Service Reserve Fund.	32
Section 5.11	Use of Construction Fund; Disbursements.	34
Section 5.12	Completion of Project.	34
Section 5.13	Rebate Fund and Arbitrage Rebate.	34
Section 5.14	Moneys to be Held in Trust.	36
Section 5.15	Repayment to the City from Bond Fund or Debt Service Reserve Fund...36	
Section 5.16	Custody of Separate Trust Fund.	36
Section 5.17	Cost of Issuance Account.....	36
Section 5.18	Creation of Reserve Instrument Fund.	36
Section 5.19	Use of Reserve Instrument Fund.....	36
ARTICLE VI INVESTMENT OF MONEYS		37
Section 6.1	Trustee to Invest Funds.....	37
Section 6.2	Method of Valuation and Frequency of Valuation.	37
ARTICLE VII RIGHTS OF THE CITY		37
Section 7.1	Subordination of Master Lease to Indenture; Certain Rights to City.	37
Section 7.2	Granting of Rights in and to the Projects.....	37
Section 7.3	Release of Equipment Forming a Part of the Projects.	38
Section 7.4	Release of Portions of Project Upon Payment of Related Series of Bonds.	38
ARTICLE VIII DISCHARGE OF LIEN.....		38
ARTICLE IX DEFAULT PROVISIONS AND REMEDIES OF THE TRUSTEE AND BONDHOLDERS.....		40
Section 9.1	Events of Default.	40
Section 9.2	Acceleration, Limitation on Remedies.	41

Section 9.3	Surrender of Possession of Projects; Rights and Duties of Trustee in Possession.	42
Section 9.4	Other Remedies; Rights of Bondholders.	42
Section 9.5	Right of Bondholders to Direct Proceedings.	44
Section 9.6	Appointment of Receivers.	44
Section 9.7	Waiver.	44
Section 9.8	Application of Moneys.	44
Section 9.9	Remedies Vested in the Trustee.	46
Section 9.10	Rights and Remedies of Bondholders.	46
Section 9.11	Termination of Proceedings.	47
Section 9.12	Waivers of Events of Default.	47
Section 9.13	Notice of Events of Default under Section 9.1(c); Opportunity of the Authority and the City to Cure Such Events of Default.	47
Section 9.14	Cooperation of Authority.	48
Section 9.15	Limitation on Remedies and Acceleration During Acquisition and Construction of Portions of Projects.	48
ARTICLE X THE TRUSTEE		49
Section 10.1	Acceptance of Trusts.	49
Section 10.2	Fees, Charges and Expenses of the Trustee.	52
Section 10.3	Notice to Bondholders.	52
Section 10.4	Intervention by the Trustee.	52
Section 10.5	Successor Trustee.	52
Section 10.6	Resignation by the Trustee.	53
Section 10.7	Removal of the Trustee.	53
Section 10.8	Appointment of Successor Trustee.	53
Section 10.9	Concerning Any Successor Trustee.	53
Section 10.10	Right of the Trustee to Pay Taxes and Other Charges.	54
Section 10.11	Appointment of Co-Trustee.	54
Section 10.12	Trustee Not Responsible for Actions of Authority.	55
Section 10.13	Trustee's Right to Own and Deal in Bonds.	55
Section 10.14	Requirements as to Trustee's Records.	55
Section 10.15	Trustee's Own Funds.	55
Section 10.16	Direct Payment Authorization.	55
ARTICLE XI SUPPLEMENTAL INDENTURES		57
Section 11.1	Supplemental Indentures Not Requiring Consent of Bondholders.	57
Section 11.2	Supplemental Indentures Requiring Consent of Bondholders.	57
ARTICLE XII AMENDMENT OF MASTER LEASE		59
Section 12.1	Amendments, etc., to Master Lease Not Requiring Consent of Bondholders.	59
Section 12.2	Amendments, etc., to the Master Lease Requiring Consent of Holders of the Bonds.	59

ARTICLE XIII MISCELLANEOUS	59
Section 13.1 Consents. etc. of Bondholders.	59
Section 13.2 Limitation of Rights.	60
Section 13.3 Severability.	60
Section 13.4 Notices.	60
Section 13.5 Payments Due on Days other than Business Days.....	60
Section 13.6 Counterparts.	61
Section 13.7 Applicable Provisions of Law.....	61

GENERAL INDENTURE OF TRUST

THIS GENERAL INDENTURE OF TRUST dated as of _____, 2023 (the “General Indenture”), between the LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH, a nonprofit corporation duly organized and existing under the laws of the State of Utah (the “Authority”), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION a national banking association organized under the laws of the United States with its principal office located in Salt Lake City, Utah, as trustee (the “Trustee”):

WITNESSETH:

WHEREAS, the City Council (the “Council”) of the City of Saratoga Springs, Utah (the “City”) has organized the Authority solely for the purpose of (a) accomplishing the public purposes for which the City exists by acquiring, constructing, improving or extending any improvements, facilities or properties (whether real or personal) and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, which improvements, facilities, properties and appurtenances need not be situated within the boundaries of the City (collectively, the “Projects”) and (b) financing or refinancing the costs of such Projects on behalf of the City in accordance with the procedures and subject to the limitations of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the “Act”), including, but not limited to, the costs of refunding and retiring existing obligations, funding debt service reserves, and paying issuance expenses to be incurred in connection with the issuance and sale of the Bonds herein authorized and defined; and

WHEREAS, the Act provides that the Authority may issue and sell its Bonds for the purposes described above; and

WHEREAS, the Bonds shall be secured by a pledge and assignment of certain base rentals (the “Base Rentals”) received by the Authority under that certain Master Lease Agreement dated as of even date herewith between the Authority, as lessor, and the City, as lessee (the “Master Lease”) and a purchase option price (the “Purchase Option Price”), if paid by the City, with respect to a Project under the Master Lease and will be further secured by the Security Documents (as defined herein); and

WHEREAS, pursuant to the Master Lease, the Authority has agreed to acquire, construct, improve and equip or to refinance one or more Projects and to lease the same to the City upon the terms and conditions set forth in the Master Lease; and

WHEREAS, pursuant to the provisions of a resolution of the City adopted on October 17, 2023 (the “City Resolution”), the City has authorized and approved the execution of the Master Lease and has authorized and approved certain actions to be taken by the Authority in connection with the financing or refinancing of the acquisition, construction, improvement and equipping (as applicable) of a Project or Projects, including, among other things, the execution, delivery and performance of this General Indenture and the issuance of the Bonds hereunder; and

WHEREAS, pursuant to the provisions of a resolution of the Authority adopted on October 17, 2023 (the “Authority Resolution”), the governing board of the Authority (the “Governing Board”) has authorized, approved and directed the execution of the Master Lease and this General Indenture and has authorized and approved certain actions to be taken by the Authority in connection with the financing or refinancing of the acquisition, construction, improvement and equipping (as applicable) of a Project or Projects, including the issuance of the Bonds hereunder; and

WHEREAS, the Authority has determined that the Bonds shall be secured by this Indenture (as hereinafter defined) and 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 Bonds are reasonable, proper and in accordance with law, and that this Indenture 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 Bonds; and

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

WHEREAS, the Trustee has accepted the trust created and established by this Indenture and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS GENERAL INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

That the Authority, in consideration of the premises and the acceptance of the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Bondholders thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Authority of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and does hereby grant a security interest in, the following properties, rights, interests and privileges (collectively, the “Trust Estate”) to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Authority hereinafter set forth:

GRANTING CLAUSE FIRST

The Authority’s interest in the Projects, and any other interest, easements, licenses, rights and interests in real property hereafter acquired by the Authority for use in connection with the Projects, together with all additions thereto and substitutions thereof, subject to the Permitted Encumbrances;

GRANTING CLAUSE SECOND

The improvements made as part or all of the Projects and all substitutions or replacements thereof and in general all property acquired by the Authority with the proceeds of the Bonds issued under and secured by this Indenture and substitutions and replacements thereof and any other property which under the terms of the Master Lease is to become the property of the Authority or be subjected to the lien of this Indenture or the Security Documents, subject to Permitted Encumbrances;

GRANTING CLAUSE THIRD

The equipment constituting a part of the Projects and any other interest in personal property hereafter acquired by the Authority for use in connection with the Projects, together with all additions thereto and replacements, renewals and substitutions therefor;

GRANTING CLAUSE FOURTH

The Master Lease, including all extensions and renewals of the term thereof, if any, the present and continuing right to make claim for, collect, receive and receipt for any of the Base Rentals, Additional Rentals, Purchase Option Price, if paid by the City, as applicable, with respect to a Project or Projects, sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Master Lease with respect to the Projects for deposit with the Trustee under this Indenture (except for amounts payable under Sections 6.3(d), 6.3(j), 13.3 and 14.5 thereof), to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Authority under the Master Lease or any lessor under the Master Lease is or may become entitled to;

GRANTING CLAUSE FIFTH

All moneys and securities from time to time held by the Trustee under the terms of this Indenture (except for moneys deposited with or paid to the Trustee for the payment of Bonds not then deemed Outstanding under the Indenture and the Rebate Fund) and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the Authority or by anyone on its behalf, or with its written consent, to the Trustee which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms thereof;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto Trustee and its respective successors (for the benefit of the Bondholders) in said Trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms, conditions and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Bondholders of the Bonds, from time to time, issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds,

except as expressly provided therein, and for all Security Instrument Issuers and second, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and premium (including any make-whole additional payments), if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds, the Security Instrument Repayment Obligations and all Reserve Instrument Repayment Obligations according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under Article IV hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (as provided in Article VIII hereof), and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the final payment thereof this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS GENERAL INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the Base Rentals, Additional Rentals, Purchase Option Price, if paid by the City, with respect to a Project or Projects and other amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant with Trustee and with the respective Bondholders, Security Instrument Issuers and Reserve Instrument Providers as follows (subject, however, to the provisions of Section 2.3 hereof):

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. All terms defined in Article I of the Master Lease shall have the same meaning in the Indenture unless otherwise indicated. In addition, unless the context otherwise requires, the terms defined in the recitals to this General Indenture set forth above and in this Article I shall, for all purposes of the Indenture and the Master Lease, have the meaning herein specified.

“Additional Bonds” means all Bonds (other than the Initial Bonds) issued under the Indenture pursuant to Section 2.14 hereof.

“Authority Representative” means the Chair/President and Secretary-Treasurer of the Authority, and any other person or persons at any time designated to act on behalf of the Authority for purposes of performing any act on behalf of the Authority with respect to a Project by a written certificate furnished to the City and the Trustee 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 the City.

“Base Rentals” means that portion of the rentals payable under the Master Lease which is pledged to the payment of debt service on the Bonds and to the replenishment of the Debt Service Reserve Fund under the Indenture.

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

“Bond Fund” means Local Building Authority of the City of Saratoga Springs, Utah, Bond Fund established under Section 5.2 hereof.

“Bond Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the initial registrar for the Bonds pursuant to Section 2.8 hereof, and any additional or successor registrar appointed pursuant hereto.

“Bondholder,” “Holder,” “Owner” or “Registered Owner” means the person or persons in whose name or names a Bond shall be registered on the books of the Bond Registrar kept for that purpose in accordance with provisions of the Indenture.

“Bonds” means (i) the Initial Bonds, (ii) any Refunding Bonds issued pursuant to Section 2.13 hereof and (iii) any Additional Bonds issued pursuant to Section 2.14 hereof.

“Chair/President” means the Chair/President (including any acting Chair/President) of the Authority.

“City Representative” means the Mayor, City Manager and City Recorder of the City and any other person at any time designated to act on behalf of the City for purposes of performing any act with respect to a Project by a written certificate furnished to the Authority and the Trustee containing the specimen signature of such person and signed on behalf of the City 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 or the City.

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

“Construction Fund” means Local Building Authority of the City of Saratoga Springs, Utah, Construction Fund established under Section 5.5 hereof.

“Cross-over Date” means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“Cross-over Refunded Bonds” means Bonds or other obligations refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment

on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Debt Service Reserve Fund” means the Local Building Authority of the City of Saratoga Springs, Utah, Debt Service Reserve Fund established under Section 5.4 hereof for the purpose of securing payment of Bonds issued under this Indenture.

“Debt Service Reserve Requirement” means with respect to each Series of Bonds issued pursuant to this Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (i) 10% of the proceeds of such Series of Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds 2% of original principal, then determined on the basis of initial purchase price to the public), (ii) the maximum annual debt service during any year for such Series of Bonds, and (iii) 125% of the average annual debt service for such Series of Bonds; provided, however, that in the event any Series of Refunding Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any Series issued pursuant to this Indenture (the “Prior Bonds”), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Refunding Bonds and the portion of such Refunding Bonds that is allocable to the refunding of such Series of Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. Each account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

“Direct Obligations” means direct noncallable obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America and evidences of ownership interests in such direct or unconditionally guaranteed obligations.

“Direct Payments” means the interest subsidy payments received by the Authority from the Internal Revenue Service pursuant to Section 6431 and 1400U-2 of the Code or other similar programs (with respect to Bonds issued hereunder).

“Event of Default” means any occurrence or event specified in and defined by Section 9.1 hereof.

“General Indenture” means this General Indenture of Trust, by and between the Authority and the Trustee.

“Indenture” means this General Indenture and any Supplemental Indentures entered into in compliance with the provisions of Article XI.

“Initial Bonds” means the first Series of Bonds issued under the Indenture.

“Interest Payment Date” means the stated payment date of an installment of interest on the Bonds.

“Investment Obligations” means any of the following securities:

- (i) Direct Obligations;
- (ii) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer’s Home Administration; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA’s);
- (iii) Money market funds rated at the time of purchase “AAAm” or “AAAm-G” or better by S&P, including money market funds from which the Trustee or its affiliates receive fees for investment, advisory or other services to the fund;
- (iv) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody’s or A-1+ by S&P, and which matures not more than 270 days after the date of purchase;
- (v) Bonds, notes or other evidences of indebtedness rated at the time of purchase “AAA” by S&P and “Aaa” by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (vi) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);
- (vii) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer’s Investment Fund; and
- (viii) Any investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated 1953, as amended.

“Master Lease” means the Master Lease Agreement dated as of even date herewith by and between the Authority, as lessor and the City, as lessee and any amendments and supplements thereto entered into in accordance with Article XII hereof.

“Moody’s” means Moody’s Investors Service, its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, “Moody’s” shall

be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds delivered to the Trustee for cancellation, whether after purchase in the open market or because of payment at, or redemption prior to, maturity;
- (b) Bonds in lieu of which others have been authenticated under Sections 2.6, 2.7, and 2.12 hereof; and
- (c) Bonds deemed paid under Article VIII of this General Indenture.

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds pursuant to Section 2.8 hereof, and any additional or successor paying agent appointed pursuant hereto.

“Project” or “Projects” means collectively each Project identified in a Supplemental Indenture to be financed or refinanced with a Series of Bonds issued under the Indenture.

“Rebatable Arbitrage” shall mean with respect to any Series of Bonds the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

“Rebate Calculation Date” means, with respect to each Series of Tax-Exempt Bonds, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last Bond of such Series.

“Rebate Fund” means Local Building Authority of the City of Saratoga Springs, Utah, Rebate Fund established by Section 5.6 hereof

“Recovery Zone Bonds” means interest subsidy bonds issuable by the Authority under Sections 1400U-2 and 6431 of the Code and a “qualified bond” under Section 1400U-2(a) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

“Refunding Bonds” means all Bonds (other than the Initial Bonds) issued pursuant to Section 2.13 hereof.

“Regular Record Date” means the fifteenth day (whether or not a Business Day) next preceding each Interest Payment Date.

“Regulations” and all references thereto shall mean and include applicable final, proposed and temporary United States Treasury Regulations, promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

“Required Rebate Deposit” means, with respect to any Series of Bonds an amount determinable as of each Rebate Calculation Date, which when added to amounts then on deposit in the Rebate Fund with respect to such Series of Bonds, if any, equals the aggregate amount of Rebatable Arbitrage for such Series of Bonds less the amount of Rebatable Arbitrage theretofore paid to the United States with respect to such Series of Bonds, if any.

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

“Reserve Instrument Agreement” means any agreement entered into by the Authority and a Reserve Instrument Provider pursuant to a Supplemental Indenture and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant hereto under all Reserve Instruments.

“Reserve Instrument Fund” means the Local Building Authority of the City of Saratoga Springs, Utah Reserve Instrument Fund established in Section 5.18 of hereof to be held by the Trustee and administered pursuant to Section 5.19 hereof.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into an account in the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the reduction of the Debt Service Reserve Requirement.

“Reserve Instrument Provider” means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution issuing a Reserve Instrument.

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Authority under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

“S&P” means S&P Global Ratings, its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

“Secretary-Treasurer” means the Secretary-Treasurer (including any deputy or acting Secretary-Treasurer) of the Authority.

“Security Documents” means collectively the security documents described in each Supplemental Indenture.

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a “Security Instrument” for purposes of this Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

“Security Instrument Agreement” means any agreement entered into by the Authority and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

“Security Instrument Costs” means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses, and costs constituting Security Instrument Costs.

“Security Instrument Issuer” means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Authority under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

“Serial Bonds” means those Bonds other than Term Bonds.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

“Sinking Fund Account” means Local Building Authority of the City of Saratoga Springs, Utah, Sinking Fund Account of the Bond Fund established by Section 5.3 hereof.

“Sinking Fund Installment” means the amount of money which is required to be deposited into the Sinking Fund Account in each year as specified in the Supplemental Indenture authorizing Term Bonds for the retirement of such Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with this General Indenture.

“State” means the State of Utah.

“Supplemental Indenture” means any indenture between the Authority and the Trustee entered into pursuant to and in compliance with the provisions of Article XI hereof.

“Tax Credit Bonds” means the interest subsidy bonds issuable by the Authority under Sections 54AA and 6431 of the Code and a “qualified bond” under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

“Tax-Exempt Bonds” means Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes.

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund payments or redemptions from the Sinking Fund Account.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

“Trustee” means Zions Bancorporation, National Association, a national banking association and its successors and any association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee under the Indenture.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers and all Security Instruments by Security Instrument Issuers pursuant hereto, this General Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; the Security Instrument Issuers and the Reserve Instrument Providers, and the pledge made in this General Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for FIRST, the equal benefit, protection and security of the Owners of any and all of the Bonds all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this General Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Section 1.3 Construction. This General Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms “hereby,” “hereof,” “herein,” “hereto,” “hereunder,” and any similar terms used in this General Indenture shall refer to this General Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or headlines applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this General Indenture.

ARTICLE II

TERMS AND PROVISIONS OF BONDS; ADDITIONAL BONDS AND REFUNDING BONDS

Section 2.1 Authorization of Bonds. There is hereby created for issuance hereunder an issue of Bonds which may, if and when authorized by Supplemental Indenture, be issued in one or more separate Series. Each Series of Bonds shall be authorized by a Supplemental Indenture, which shall state the purpose or purposes for which each such Series of Bonds is being issued. The aggregate principal amount of Bonds which may be issued shall not be limited except as provided herein or as may be limited by law provided that the aggregate principal amount of Bonds of each such Series shall not exceed the amount specified in the Supplemental Indenture authorizing each such Series of Bonds.

Section 2.2 Description of Bonds; Payment.

(a) The Bonds of each Series issued under the provisions hereof may be issued only as registered bonds. Unless otherwise specified in the Supplemental Indenture authorizing such Series of Bonds, Bonds of each Series shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof, shall be numbered consecutively from R-1 upwards and if applicable shall bear interest payable as specified in each Supplemental Indenture.

(b) The Bonds of each Series issued hereunder shall be dated, shall bear interest calculated on the basis of a 360-day year consisting of twelve 30-day months (unless otherwise specified by Supplemental Indenture) at a rate or rates not exceeding the maximum rate permitted by law on the date of initial issuance of Bonds of such Series, and be payable on the days, shall be stated to mature on the days and in the years and shall be subject to redemption prior to their respective maturities, all as set forth in the Supplemental Indenture authorizing such Series of Bonds. The Bonds of each Series shall be designated "Local Building Authority of the City of Saratoga Springs, Utah [Taxable] Lease Revenue [Refunding] Bonds, Series," in each case inserting the year in which the Bonds are issued and an identifying Series letter or a project designation (if applicable).

(c) Both the principal of and the interest on the Bonds shall be payable in any coin or currency of the United States of America, as at the respective time of payment, shall be legal tender for payment of public and private debts. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Bond Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed to the Registered Owner at his address as it appears on such registration books or to owners of \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account within the United States designated by the Registered Owner in written instructions furnished to the Trustee (unless otherwise specified by Supplemental Indenture). The interest on Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest. Any such interest not so punctually paid or duly provided for shall

forthwith cease to be payable to the registered owner of any Bond on such Regular Record Date and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten days prior to such Special Record Date. The principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. 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.

(d) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.3 Execution; Limited Obligation. The Bonds shall be executed on behalf of the Authority with the manual or official facsimile signature of its Chair/President, countersigned with the manual or official facsimile signature of the Secretary-Treasurer, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Authority. In case any officer, the facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Bonds shall not be general obligations 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 under the Master Lease and other amounts derived from the leasing of the Projects (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Bonds or to income from the temporary investment thereof and, under certain circumstances, to moneys held in funds or accounts by the Trustee, to Net Proceeds from insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the Projects and from Direct Payments) and shall be a valid claim of the respective Bondholders thereof only against the Bond Fund, the Debt Service Reserve Fund and other moneys held by the Trustee and the Base Rentals, and other amounts derived from the leasing of the Projects under the Master Lease, which Base Rentals and other amounts are hereby pledged, assigned and otherwise secured for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds (including any make whole interest payments or redemption premiums on any Bonds), except as may be otherwise expressly authorized in the Indenture or in the Master Lease. The Authority shall not be obligated to pay the principal of such Bonds or the interest thereon or other costs incident thereto except from the moneys pledged therefor under the Indenture. The 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 nor the Authority on its behalf has pledged the credit of the City to the payment of the Bonds, the interest thereon or amounts due or to become due under the Master Lease. The City shall not be obligated to appropriate Funds for the purpose of paying Base Rentals, Additional Rentals or the Purchase

Option Price under the Master 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 Bonds. The payment obligations of the City under the Master 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 Master Lease will terminate, and the 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 Trustee under the Indenture (except amounts held for the payment of Bonds not deemed Outstanding) and, subject to the provisions of Article IX hereof, any moneys made available from a liquidation of the Authority's interest in the Project financed with such Bonds subsequent to foreclosure of the lien of the Indenture and the Security Documents. No deficiency judgment subsequent to foreclosure of the lien of the Indenture and the Security Documents may be entered against the City or the Authority, and no breach of any provision of the Master Lease, the Security Documents or the Indenture shall impose any general obligation or liability upon or a charge against the City, the Authority or upon the general credit or taxing powers of the City. Except as expressly provided in the Master Lease, no judgment requiring a payment of money may be entered against the City under the Master Lease.

The provisions of this Section relating to the execution of Bonds may be modified as they apply to the Bonds of any Series by the Supplemental Indenture authorizing such Series of Bonds.

Section 2.4 Authentication and Delivery of Bonds.

(a) The Authority shall deliver executed Bonds of each Series to the Trustee for authentication. Subject to the satisfaction of the conditions for authentication of Bonds set forth herein, the Trustee shall authenticate such Bonds, and deliver them upon the order of the Authority to the purchasers thereof upon the payment by the purchasers to the Trustee for the account of the Authority of the purchase price therefor. Delivery by the Trustee shall be full acquittal to the purchasers for the purchase price of such Bonds, and such purchasers shall be under no obligation to see to the application thereof. The proceeds of the sale of such Bonds shall, however, be disposed of only as provided herein and in the Master Lease, and in the Supplemental Indenture executed in connection therewith.

(b) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder, unless and until a certificate of authentication on such Bond substantially in the form set forth in the Supplemental Indenture authorizing such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

(c) Prior to the authentication by the Trustee of each Series of Bonds there shall have been filed with the Trustee:

(i) A copy, duly certified by the Secretary-Treasurer of the Authority, of the resolution of the Authority and a copy, duly certified by the City Recorder

of the City, of the resolution of the City, each approving the execution and delivery of the instruments specified in Subparagraphs (ii) and (iii) below and the execution and delivery of such Series of Bonds, together with a certificate, dated as of the date of authentication of such Series of Bonds, of the Secretary-Treasurer and the City Recorder, respectively, that such proceedings are still in force and effect without amendments except as shown in such proceedings;

(ii) A copy, duly certified by the Secretary-Treasurer of the Authority, of (a) this General Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds and (b) the Master Lease (to the extent not theretofore so filed) and any amendments to the Master Lease executed in connection with such Supplemental Indenture and such Series of Bonds;

(iii) Original executed counterparts of the Security Documents identified in such Supplemental Indenture;

(iv) A request and authorization to the Trustee on behalf of the Authority and signed by the Chair/President of the Authority to authenticate and deliver the Bonds to the purchasers therein identified upon payment to the Trustee, but for the account of the Authority, of a sum specified in such request and authorization. The proceeds of such payment shall be deposited with the Trustee as provided in the Master Lease and the Supplemental Indenture;

(v) (A) In the case of the Initial Bonds, an ALTA mortgagee title policy or policies, or commitment therefor, of mortgage title insurance in an aggregate amount equal to not less than the principal amount of the Initial Bonds insuring the lien of the Security Documents identified in the Supplemental Indenture, subject only to Permitted Encumbrances and (B) in the case of Additional Bonds and Refunding Bonds, the title insurance specified in Section 2.14(b) and Section 2.13(c) hereof, respectively; alternatively, for the situations described in both (A) and (B) (excluding Refunding Bonds), the Authority may reasonably expect to be able to deliver the required mortgage title insurance following delivery of the related Series of Bonds, provided that no proceeds of such Bonds shall be drawn out of the Construction Fund until such mortgage title insurance is delivered (except for costs of issuance related to such Bonds);

(vi) A written opinion of nationally recognized bond counsel, to the effect that (a) the Authority has authorized the execution and delivery of the General Indenture and Supplemental Indenture and such Series of Bonds, (b) the General Indenture and Supplemental Indenture have been duly executed and delivered by the Authority and are valid and binding agreements of the Authority; and (c) such Series of Bonds have been duly executed and delivered to the Trustee by the Authority and, upon authentication thereof by the Trustee pursuant to the Indenture and delivery thereof by the Trustee pursuant to the request referred to in Subparagraph (iv), will be valid and binding obligations of the Authority;

(vii) A written opinion of counsel to the City as to the legal, valid and binding nature of the Master Lease as against the City and such other matters as may be reasonably required by the purchasers of such Series of Bonds;

(viii) A written opinion of counsel to the Authority as to the legal, valid and binding nature of the Master Lease, the General Indenture, the Supplemental Indenture and the Security Documents as against the Authority and such other matters as may be reasonably required by the purchasers of such Series of Bonds;

(ix) Evidence that upon the issuance of such Bonds there will be on deposit in the Debt Service Reserve Fund an amount (including Reserve Instruments) at least equal to the Debt Service Reserve Requirement, if any, for all Bonds to be Outstanding immediately following the issuance of such Bonds;

(x) The items required by Section 2.13 in the case of Refunding Bonds and Section 2.14 in the case of Additional Bonds; and

(xi) Such other agreements, certificates, documents and opinions as are required to be delivered to the purchasers of such Series of Bonds or to the Security Instrument Issuers.

Section 2.5 Form of Bonds. For each Series of Bonds, the text of such Bonds, and the Trustee's Authentication Certificate shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations not inconsistent with the terms hereof as may be necessary, desirable, authorized and permitted hereby.

Section 2.6 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Authority may execute and the Trustee may 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 Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Trustee, together in each case with an indemnity satisfactory to them. In the event any such Bond shall have matured or been redeemed or be approaching maturity, instead of issuing a duplicate Bond, the Authority may pay the same on or after the due date thereof without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond or other satisfactory indemnity. The Authority and the Trustee may charge the Bondholder of such Bond with their reasonable fees and expenses in this connection. Any Bond issued pursuant to this Section shall be deemed part of the Series of the Bonds in respect of which it was issued and an original additional contractual obligation of the Authority. This Section 2.6 is subject to additional stipulations as may be provided by Supplemental Indenture.

Section 2.7 Registration and Exchange of Bonds; Persons Treated as Owners. The Authority shall cause books for the registration and for the transfer of the Bonds to be kept by the Trustee which is hereby constituted and appointed the Bond Registrar of the Authority, provided, however, that the Authority may by Supplemental Indenture select a party other than the Trustee

to act as Bond Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the registrar. This Indenture shall constitute a "system of registration" for all purposes of the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code Annotated 1953, as amended. Upon surrender for transfer of any Bond at the principal office of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Bondholder or his attorney duly authorized in writing, the Authority shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new, fully registered Bond or Bonds of the same Series and the same maturity for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the principal corporate trust office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same Series and the same maturity. The execution by the Authority of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond upon such exchange. The Authority and the Trustee shall not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

The Authority, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered on the registration books kept by the Bond 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 interest due thereon and for all other purposes whatsoever, and neither the Authority, nor the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of or on account of either principal or interest on any Bond shall be made only to or upon order of the Registered Owner thereof or such person's 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 Trustee shall require the payment by the Bondholder requesting exchange or transfer of Bonds of any tax or other governmental charges 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 2.8 Designation of the Trustee as Bond Registrar and Paying Agent and Designation of Any Additional Paying Agents. The Trustee is hereby designated and agrees to act as Bond Registrar and Paying Agent for and in respect to the Bonds. The Authority hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of any additional paying agents and for the making available of moneys hereunder for the payment of such of the Bonds as shall be presented when due at the principal office of said additional paying agent.

Section 2.9 Cancellation. All Bonds which have been surrendered for payment, redemption or exchange, and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Authority, shall be canceled and destroyed by the Trustee and shall not be reissued.

Section 2.10 Nonpresentation of Bonds. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Authority to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four (4) years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent permitted by law, repay to the Authority the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Authority, and the Registered Owner thereof shall be entitled to look only to the Authority for payment, and then only to the extent of the amount so repaid, and the Authority shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. The provisions of this Section are subject to the provisions of Title 67, Chapter 4a, Utah Code Annotated 1953, as amended.

Section 2.11 Initial Bonds. Subject to the provisions hereof, the Initial Bonds may be authenticated and delivered by the Trustee upon satisfaction of the conditions specified in Section 2.4 hereof and any additional conditions specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.12 Temporary Bonds.

(a) Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 2.3 hereof, and upon the request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the Authority, and with such omissions, insertions and variations not inconsistent with the Indenture as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds, for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Registered Owner thereof, deliver in exchange therefor, definitive Bonds, of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant hereto.

(b) If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Registered Owner of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, series and maturity of any other authorized denomination or denominations, and thereupon the Authority shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered, shall deliver a temporary Bond or Bonds of like aggregate principal amount, series and maturity in such other authorized denomination or denominations as shall be requested by such Registered Owner.

(c) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

Section 2.13 Issuance of Refunding Bonds. So long as the Master Lease is in effect and no Event of Default under the Indenture or the Master Lease has occurred and is continuing and so long as no Event of Nonappropriation has occurred and is continuing, one or more Series of Refunding Bonds may be issued, authenticated and delivered for the purpose of refunding Bonds or other obligations of the Authority (with accompanying security documentation and pledge of refinanced property). The Refunding Bonds may be issued in one or more Series, shall be authenticated by the Trustee and, upon payment to the Trustee of the proceeds of said sale of Refunding Bonds, they shall be delivered by the Trustee to or upon the order of the purchasers thereof, but only upon satisfaction of the conditions specified in Section 2.4 hereof and there being filed with the Trustee:

(a) Original executed counterparts of a Supplemental Indenture, a supplement or amendment (if necessary) to the Security Documents and the Master Lease providing for the issuance of such Refunding Bonds, and further providing for a revision to the Base Rentals to be paid by the City under the Master Lease to 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 on the Bonds (including the Refunding Bonds being issued and any Bonds theretofore issued and to remain Outstanding), and to extend the Lease Term if the maturity of any of the Refunding Bonds would otherwise occur after the expiration of the then current Lease Term. The date or dates of the Refunding Bonds, the rate or rates of interest on the Refunding Bonds, and the redemption provisions (if any) with respect thereto all shall be as provided in the Supplemental Indenture;

(b) If any of the Bonds being refunded were Tax-Exempt Bonds or were designated as Tax Credit Bonds qualifying for Direct Payments, a written opinion of nationally recognized bond counsel, to the effect that the exclusion from gross income of the interest on the Tax-Exempt Bonds being refunded or the status of the Bonds as Tax Credit Bonds qualifying for Direct Payments, for federal income tax purposes, will not be adversely affected by the issuance of the Refunding Bonds being issued;

(c) A date-down endorsement to the ALTA mortgagee title insurance policy issued in connection with the issuance of the Bonds being refunded or commitment therefor (or if the bonds or other obligations being refunded were not issued pursuant to this Indenture, an ALTA Mortgagee title insurance policy or commitment therefor), which

endorsement or policy shall insure to the date of issuance of such Refunding Bonds and the recording of any supplement or amendment to the Security Documents the continuing validity of the lien thereof, as modified by any supplement or amendment to the Security Documents, as a first and prior lien on the premises thereby secured, subject only to Permitted Encumbrances, and which endorsement or policy shall increase the amount of title insurance coverage thereunder, if necessary, to an amount, which when added to the coverage provided under any other title policies delivered with respect to other Bonds then Outstanding and issued with respect to the Project financed by the Bonds or other obligations to be refunded, is at least equal to the aggregate principal amount of all Bonds to be Outstanding with respect to such Project following said refunding and naming the Trustee as an insured; alternatively, the Authority may reasonably expect to be able to deliver the required mortgage title insurance following delivery of the related Series of Bonds, provided that no proceeds of such Bonds shall be drawn out of the Construction Fund until such mortgage title insurance is delivered (except for costs of issuance related to such Bonds);

(d) (i) A report of an independent firm of certified public accountants to the effect that, upon the issuance of the Refunding Bonds, moneys and Direct Obligations will be deposited with the Trustee or an escrow agent sufficient to cause the Bonds (or other obligations) being refunded to be deemed paid under Article VIII hereof (or a comparable provision of the documents authorizing the obligations to be refunded even if not deemed paid for Cross-over Refunding Bonds); or (ii) in the event that the Bonds (or other obligations) to be refunded are to be redeemed on the date of issuance of the Refunding Bonds or within ninety (90) days thereafter, there shall be delivered to the Trustee evidence satisfactory to it that upon the issuance of the Refunding Bonds moneys and Direct Obligations will be deposited with the Trustee or an escrow agent sufficient, without taking into account investment earnings thereon, to redeem the Bonds (or other obligations); and

(e) A certificate of the Authority, stating that, as of the date of such delivery, no event or 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 the Indenture or the Master Lease and there has not occurred and is then continuing an Event of Nonappropriation; provided however that the existence of an Event of Default shall not preclude the issuance of any Refunding Bonds if: (i) the issuance of such Refunding Bonds otherwise complies with the provisions hereof and (ii) any Event of Default will cease to continue upon the issuance of such Refunding Bonds and the application of the proceeds thereof.

Each Series of Refunding Bonds issued pursuant to this Indenture shall be equally and ratably secured under the Indenture with the Initial Bonds and all other Series of Refunding Bonds and Additional Bonds, if any, theretofore issued pursuant to the Indenture, without preference, priority or distinction of any Bonds over any other thereof.

Section 2.14 Additional Bonds. So long as the Master Lease is in effect and no Event of Default under the Indenture or the Master 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 Costs of Acquisition and

Construction of a Project or Projects. The Additional Bonds may be issued in one or more Series, shall be authenticated by the Trustee and, upon payment to the Trustee of the proceeds of said sale of Additional Bonds, they shall be delivered by the Trustee to or upon the order of the purchasers thereof, but only upon satisfaction of the conditions specified in Section 2.4 hereof and there being filed with the Trustee:

(a) Original executed counterparts of a Supplemental Indenture, additional Security Documents or a supplement or amendment (if necessary) to the Security Documents and Master Lease providing for the financing of a Project and for the issuance of the Additional Bonds and further providing for an increase in the Base Rentals to be paid by the City under the Master 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 on the Bonds (including the Additional Bonds being issued and any Bonds theretofore issued and Outstanding), 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 Indenture;

(b) A date-down endorsement to the ALTA mortgagee title insurance policy issued in connection with the issuance of the Initial Bonds (or other Bonds) or commitment therefor or an additional ALTA mortgagee title insurance policy or commitment therefor, which endorsement or policy shall insure to the date of issuance of such Additional Bonds and the recording of any additional Security Documents or supplement to the Security Documents, if required, 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 or additional policy shall increase the amount of title insurance coverage thereunder by an amount at least equal to the aggregate principal amount of the Additional Bonds to be issued (or in the case of Additional Bonds issued to complete or extend a Project previously financed hereunder the endorsement to the original policy for such Project shall increase the coverage to at least the aggregate principal amount of Bonds issued for such Project to be Outstanding following the issuance of such Additional Bonds) and naming the Trustee as an insured. In the event that the property upon which additional projects are to be located has not been acquired at or prior to the time of issuance of the Additional Bonds, the amendment to Master Lease relating to such Additional Bonds shall require that such endorsement or additional title policy with respect to such property be delivered at the time of or prior to any disbursements being made from the Construction Fund with respect to such portion of the Project (except for costs of issuance related to such Bonds);

(c) 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-Treasurer of the Authority, of the project contract and architect's agreement with respect to such construction and the performance and payment bond covering such contract or, in the alternative, a requirement that a copy of such documents be delivered to the Trustee prior to the time that moneys are withdrawn from the Construction Fund with respect to such portions 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 or Projects, as so improved and extended, in compliance with Section 17D-2-301 of the Act; and

(d) A certificate of the Authority, stating that as of the date of such delivery no event or 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 the Indenture or the Master Lease and there has not occurred and is then continuing an Event of Nonappropriation; provided however that the existence of an Event of Default shall not preclude the issuance of any Additional Bonds if: (i) the issuance of such Additional Bonds otherwise complies with the provisions hereof and (ii) any Event of Default will cease to continue upon the issuance of such Additional Bonds and the application of the proceeds thereof.

Each Series of Additional Bonds issued pursuant to the Indenture shall be equally and ratably secured under the Indenture with the Initial Bonds and all other Series of Additional Bonds and Refunding Bonds, if any, theretofore issued pursuant to the Indenture, without preference, priority or distinction of any Bonds over any other thereof.

ARTICLE III

REDEMPTION PROVISIONS

Section 3.1 Redemption. The Bonds of a Series may be callable for redemption prior to maturity as provided in the Supplemental Indenture authorizing said Series of Bonds.

Section 3.2 Extraordinary Redemption. The Bonds of a Series shall be callable for redemption prior to maturity in whole on any date, if (i) the Project financed by such Series or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of said Project shall become apparent, or title to or the use of all or any material portion of said Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds 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 or replacing such portion of said Project, and (iii) the City elects to discharge its obligation to repair and replace such portion of said Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds in the Bond Fund, the payment obligations of the City with respect to said Project or Projects financed by such Series of Bonds under the Master Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to said Project or Projects, and possession of said Project or Projects, as well as all right, title and interest of the City and the Authority in any funds or accounts created under the Indenture with respect to said Project or Projects shall be surrendered to the Trustee, as trustee for the Bondholders. Thereafter, the Indenture and the Security Documents applicable to said Project or Projects may, subject to the limitations of Article IX hereof, be foreclosed and the Authority's interest in said Project or Projects liquidated 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 Indenture with respect to said Project or Projects (except moneys held in the Rebate

Fund or for the payment of Bonds not then deemed outstanding), shall be applied to the redemption of the applicable Series of Bonds at the earliest date practicable, as specified in a written notice from the Authority to the Trustee. Any such redemption of said Series of Bonds shall be made upon payment of all or a prorated portion of the principal amount thereof plus accrued interest thereon to the redemption date. IN THE EVENT THE BONDS OF ANY SERIES ARE TO BE REDEEMED BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF, AND ACCRUED INTEREST TO THE REDEMPTION DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE BONDHOLDERS AGAINST THE AUTHORITY, THE CITY, ANY SUBLESSEE OR THE TRUSTEE WITH RESPECT TO SAID SERIES OF BONDS. In the event there are moneys remaining in the Bond Fund after payment in full of all Bonds of said Series issued under the Indenture, the Trustee is authorized and directed to transfer said moneys to the City.

Section 3.3 Other Redemption Provisions. The Term Bonds of each Series may be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at the option of the Authority at such times and upon such terms as shall be fixed by such Supplemental Indenture. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular Bonds or portions thereof, as determined in accordance with Section 3.7 herein, to be redeemed shall be selected by the Trustee in such manner as the Trustee, in its discretion, may deem proper in order to assure each Registered Owner of Bonds of such Series or maturity a fair opportunity to have their Bond or Bonds or portions thereof selected.

Section 3.4 Notice of Redemption.

(a) In the event any of the Bonds are to be redeemed, the Bond Registrar shall cause notice to be given as provided in this Section 3.4. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, notice of such redemption (i) shall be filed with the paying agent designated for the Bonds being redeemed; and (ii) shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Bond Registrar at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the Original Issue Date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, 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 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(vii) the place where such Bonds are 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.

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, to at least one national information service that disseminates notices of redemption of obligations such as the Bonds (which may be the Electronic Municipal Market Access System). Such further notice shall contain the information required in clause (a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number, if any, identifying, by issue and maturity, of the Bonds being redeemed with the proceeds of such check or other transfer.

(d) If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

(e) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Bonds or portions thereof redeemed but who failed to deliver 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 owner of such 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 Bonds.

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

Section 3.5 Redemption Payments. On or prior to the date fixed for redemption, moneys shall be deposited by the Authority with the Trustee to pay to the Paying Agent, and the Paying Agent is hereby authorized and directed to apply such moneys to the payment of the Bonds, or portions thereof called, together with accrued interest thereon to the redemption date, and any required premium. Upon the giving of notice and the deposit of moneys for redemption with the Paying Agent, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption and said Bonds shall cease to be entitled to any lien, benefit or security under the Indenture or the Security Documents, and the Bondholders of said Bonds shall have no rights in respect thereof except to receive payments of the redemption price thereof. Unless otherwise specified in a Supplemental Indenture, no payment shall be made by the Paying Agent upon any Bond or portion thereof called for redemption until such Bond or portion thereof shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 2.6 hereof with respect to any mutilated, lost, stolen or destroyed Bond.

Section 3.6 Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled and destroyed by the Trustee in accordance with Section 2.9 hereof.

Section 3.7 Partial Redemption of Bonds. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Authority shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Authority, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. If less than all of the applicable Series of Bonds of any maturity are to be redeemed, the particular Bond or portion of Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. Unless otherwise provided by Supplemental Indenture, a portion of any Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bonds by \$5,000.

ARTICLE IV

GENERAL COVENANTS

Section 4.1 Payment of Principal and Premium, if any, 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 Indenture at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof, but solely from the Trust Estate created by the Indenture, including the Base Rentals and, if paid by the City under the Master Lease, the Purchase Option Price with respect to a Project or Projects, and other amounts pledged therefor which are from time to time held by Trustee in the Bond Fund and the Debt Service Reserve Fund. The principal of and premium, if any, and interest on the Bonds are payable solely from the Trust Estate created by the Indenture, including the Base Rentals and, if paid by the City under the Master Lease, the Purchase Option Price with respect to a Project or Projects, and other

amounts derived from the lease of the Projects and otherwise as provided herein, in the Security Documents, and in the Master Lease, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein and in the Master Lease specified, and nothing in the Bonds or in the Indenture 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 Bonds or for the performance of any pledge, obligation or agreement undertaken by the Authority except to the extent that the moneys, properties, interests and assets constituting the Trust Estate are sufficient therefor.

Section 4.2 Performance of Covenants; Due Authority. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part contained in the Indenture, in the Master 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 represents and warrants that it is duly authorized under its Articles of Incorporation, the Constitution and laws of the State, including the Act, to issue the Bonds authorized hereby and to execute the Indenture, to assign the Master 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 required on its part for the issuance of the Bonds and the execution and delivery of the Master Lease, the Security Documents and the Indenture has been duly and effectively taken, and that the Bonds are and will be valid and enforceable special, limited obligations of the Authority according to the terms thereof and hereof.

Section 4.3 Ownership; Instruments of Further Assurance. The Authority covenants that it will own the Projects, and any property becoming a part of the Projects 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 Projects and each part thereof to the Trustee, 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 Master Lease. The Authority will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee the Projects, 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 Bonds. The Authority, except as herein and in the Master Lease or Security Documents provided, will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Projects or the Base Rentals, the Additional Rentals, the Purchase Option Price, the revenues and receipts therefrom or its rights under the Master Lease, together with any additions thereto and substitutions therefor, subject to Permitted Encumbrances.

Section 4.4 Perfection of Security Interest. The Indenture creates a valid and binding pledge and assignment of and security interest in all of the personal property pledged as part of the Trust Estate held by the Trustee under the Indenture in favor of the Trustee as security for payment of the Bonds and amounts owed to any Security Instrument Issuer or any Reserve Instrument Provider, enforceable by the Trustee in accordance with the terms thereof. Under the laws of the State, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall be prior to any judicial lien

hereafter imposed on the personal property pledged as part of the Trust Estate to enforce a judgment against the Authority on a simple contract.

Section 4.5 Inspection of Project Books. All books and records of the Authority wherever located relating to the Projects and the Base Rentals, the Additional Rentals, Purchase Option Price and other amounts derived from the Projects shall at all reasonable times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 4.6 List of Bondholders. The Trustee shall keep a list of names and addresses of the Bondholders as from time to time registered on the registration books of the Authority maintained by the Trustee as Bond Registrar, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Trustee, 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 Bonds then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee.

Section 4.7 Rights Under Master Lease. The Master Lease, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Authority and the City, including provisions that, subsequent to the issuance of Bonds and prior to their payment in full or provision for payment thereof in accordance with the provisions hereof, the Master Lease may not be effectively amended, changed, modified or altered without the written consent of the Trustee, and 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 agrees that the Trustee in its name or in the name of the Authority may but shall not be obligated to enforce all rights of the Authority and all obligations of the City under and pursuant to the Master Lease for and on behalf of the Bondholders, whether or not the Authority is in default hereunder.

Section 4.8 Payment of Taxes, Charges, Insurance. etc. The Authority shall cause the City pursuant to the Master Lease to maintain certain insurance and pay all lawful taxes, assessments and charges at any time levied or assessed against or with respect to the Projects, the Base Rentals, the Additional Rentals, the Purchase Option Price, the Net Proceeds and any and all other amounts held pursuant to the Indenture, or any part thereof, which might impair or prejudice the lien and property of the Indenture; provided, however, that nothing contained in this Section 4.8 shall require the maintenance of insurance or payment of any such taxes, assessments or charges if the same are not required to be maintained or paid under the provisions of the Master Lease. The Authority shall maintain such insurance and pay such taxes, assessments and charges to the same extent as provided in the Master Lease as if said Article were herein set forth in full, if and to the extent that the City fails to maintain such insurance or pay such taxes, assessments or charges, but the liability hereby imposed on the Authority shall only be paid from the Trust Estate as herein provided. At least 30 days prior to the last day of each Fiscal Year, the Authority shall file or cause to be filed with the Trustee evidence of the insurance required pursuant to Article VII (if applicable at the time) and Article IX of the Master Lease for the next succeeding Fiscal Year. In the event that any required insurance will terminate or expire, the Authority shall file or cause to be filed with the Trustee evidence of a replacement policy (or self-insurance, if permitted under the Master Lease) at least 30 days prior to the termination or expiration date; provided, however, if a policy is terminated without notice to the Authority or the City (and the actions or omissions

of the Authority or the City were not responsible for such termination), the Authority shall provide or cause to be provided to the Trustee evidence of a replacement policy within 20 days after such termination.

Section 4.9 Maintenance and Repair. Pursuant to the Master Lease, the City has agreed at its own expense to maintain, manage and operate the Projects in good order, condition and repair, and the City may, at its own expense, make from time to time additions, modifications or improvements to the Projects under the terms and conditions set forth in the Master Lease.

Section 4.10 Warranty. The Authority has the right, power and authority to grant a mortgage lien on the Projects to the Trustee pursuant to the Security Documents and to pledge and assign a security interest in the Trust Estate to the Trustee pursuant to the Indenture, all for the uses and purposes herein set forth. The Authority warrants that there is no financing statement or other filed or recorded instrument in which the Authority is named as, or which the Authority has signed as, debtor now on file in any public office covering any of the Trust Estate excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein, or financing statements to be released in connection with the issuance of Bonds and that the lien and security interest herein created have been duly perfected and are prior to any other (other than the Permitted Encumbrances).

Section 4.11 Further Assurances. The Authority will, at the City's expense, do, execute, acknowledge and deliver all and every act, deed, conveyance, transfer and assurance necessary or proper for the perfection of the lien and security interest being herein provided for in the Trust Estate, whether now owned or held or hereafter acquired, including, but not limited to, such financing statements and continuation statements as shall be necessary under applicable law to perfect and maintain the security interest being herein provided for in the Trust Estate.

Section 4.12 Actions with Respect to Trust Estate. The Authority will not:

(a) Declare a default or exercise the remedies of the seller or lessor, as the case may be, under, or terminate, modify or accept a surrender of, or offer or agree to any termination, waiver, modification or surrender of, the Master Lease (except as otherwise expressly provided herein or in the Master Lease) or by affirmative act consent to the creation or existence of any lien or encumbrance (other than the security interest and lien of this Indenture and the Security Documents) to secure the payment of indebtedness upon the leasehold or other estate created by the Master Lease or any part of any thereof; or

(b) Receive or collect or permit the receipt or collection of any payment under the Master Lease prior to the date for the payment thereof provided for by the Master Lease or assign, transfer or hypothecate (other than to the Trustee hereunder) any revenues or other payment then due or to accrue in the future under the Master Lease in respect of the Projects; or

(c) Sell, mortgage, transfer, assign or hypothecate (other than to the Trustee hereunder) its interest in the Projects or any part thereof or interest therein or in any amount to be received by it from the disposition of the Projects except as herein provided under Article IX, and except as provided in the Master Lease and the Security Documents.

Section 4.13 Power of Attorney in Respect of the Master Lease. The Authority does hereby irrevocably constitute and appoint the Trustee its true and lawful attorney with an interest and full power of substitution, for it and in its name, place and stead (a) to ask, demand, collect, receive and receipt for any and all rents, income and other sums which are assigned under the Granting Clauses hereof, and (b) without limiting the provisions of the foregoing clause (a) hereof: during the continuance of any Event of Default under the Indenture, to exercise any remedies available under the Master Lease and the Security Documents as fully as the Authority could itself do, and to perform all other necessary or appropriate acts with respect to any such remedies, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Authority or otherwise, which the Trustee may deem necessary or appropriate to protect and preserve the right, title and interest of the Trustee (but only to the extent specifically provided herein) in the Master Lease and to the Base Rentals, the Additional Rentals, the Purchase Option Price, the Net Proceeds and all other amounts payable under the Master Lease and other sums and the security intended to be afforded hereby, whether or not the Authority is in default hereunder.

ARTICLE V

REVENUES AND FUNDS

Section 5.1 Source of Payment of Bonds. The Bonds herein authorized and all payments by the Authority hereunder are not general obligations of the Authority but are special, limited obligations of the Authority payable solely as provided in Section 2.3 hereof.

The Projects have been leased under the Master Lease and the Base Rentals and the Purchase Option Price provided for in Sections 6.2 and 12.1, respectively, of the Master Lease are to be remitted directly to the Trustee for the account of the Authority and deposited in the Bond Fund and the Debt Service Reserve Fund along with all other moneys authorized or required to be deposited in the Bond Fund and Debt Service Reserve Fund under the Master Lease. Such Base Rentals and the Purchase Option Price are hereby pledged to such payment. Said pledge shall constitute a first and exclusive lien on the Base Rentals and the Purchase Option Price provided in the Master Lease for the payment of the principal of, and premium, if any, and interest on, the Bonds in accordance with the terms hereof and thereof.

Section 5.2 Creation of Bond Fund. There is hereby created by the Authority and ordered established in the custody of the Trustee a special trust fund to be designated “Local Building Authority of the City of Saratoga Springs, Utah, Bond Fund” (herein defined as the “Bond Fund”), which shall be used to pay the principal of and premium, if any, and interest on the Bonds.

Section 5.3 Creation of Sinking Fund Account. There is hereby created by the Authority and ordered established in the custody of the Trustee a separate account within the Bond Fund to be designated “Local Building Authority of the City of Saratoga Springs, Utah, Sinking Fund Account” (herein defined as the “Sinking Fund Account”).

Section 5.4 Creation of Debt Service Reserve Fund. There is hereby created by the Authority and ordered established in the custody of the Trustee a special trust fund to be designated “Local Building Authority of the City of Saratoga Springs, Utah, Debt Service Reserve Fund.” By

Supplemental Indenture, there may be established within the Debt Service Reserve Fund a separate account for each Series of Bonds. (Said Debt Service Reserve Fund and applicable accounts therein are herein referred to as the “Debt Service Reserve Fund.”)

Section 5.5 Creation of Construction Fund. There is hereby created by the Authority and ordered established in the custody of the Trustee a special trust fund to be designated “Local Building Authority of the City of Saratoga Springs, Utah, Construction Fund.” There is hereby created and ordered established in the custody of the Trustee a separate account within the Construction Fund for each Series of Bonds. (Said Construction Fund and applicable accounts therein are herein referred to as the “Construction Fund.”)

Section 5.6 Creation of Rebate Fund. There is hereby created by the Authority and ordered established in the custody of the Trustee a special trust fund to be designated “Local Building Authority of the City of Saratoga Springs, Utah, Rebate Fund” (herein defined as the “Rebate Fund”).

Section 5.7 Creation of Funds. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article V until such funds or accounts shall be utilized as provided in a Supplemental Indenture authorizing a Series of Bonds. By Supplemental Indenture the Authority may authorize the creation of additional funds and accounts within any funds.

Section 5.8 Use of Bond Fund.

(a) 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 Bonds. In addition, there shall be deposited into the Bond Fund, as and when received, (i) any amount directed to be paid into the Bond Fund pursuant to the Master Lease or any amount in the Debt Service Reserve Fund directed to be paid into the Bond Fund in accordance with the provisions of Section 5.10 hereof; (ii) any Net Proceeds of any insurance policy, performance bond or condemnation award to be deposited in the Bond Fund pursuant to the Master Lease; (iii) all Base Rentals, and, if paid by the City, that portion of the Purchase Option Price attributable to the retirement of the applicable Series of Bonds issued hereunder, as specified in the Master Lease; and (iv) any Direct Payments and all other moneys received by the Trustee under and pursuant to any of the provisions hereof or of the Master 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 Bonds issued hereunder are Outstanding it will deposit, or cause to be paid to the Trustee for deposit in the Bond Fund for its account, any moneys which are pledged under this Indenture for the payment of the principal of and premium, if any, and interest on the Bonds and which are required to be deposited into the Bond Fund.

(b) Except as provided in Section 5.15 herein, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Bonds and for the redemption of the Bonds prior to maturity.

(c) The Bond Fund shall be in the custody of the Trustee but in the name of the Authority, and the Authority hereby authorizes and directs the Trustee to 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, which authorization and direction the Trustee hereby accepts.

Section 5.9 Use of Sinking Fund Account.

(a) As required by Supplemental Indenture, the Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Authority, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant hereto, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account). Sinking Fund Installments may also be collected in the Sinking Fund Account without redemption of Bonds prior to maturity.

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the principal of such Term Bonds.

Section 5.10 Use of Debt Service Reserve Fund.

(a) Except as otherwise provided in this Section, moneys in accounts within the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the Debt Service Reserve Requirement. In calculating the amount on deposit in each account of the Debt Service Reserve Fund, the amount available under the Reserve Instrument Coverage will be treated as an amount on deposit therein. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify that the amount, if any, of the Debt Service Reserve Requirement applicable to such Series which shall be deposited immediately upon the issuance and delivery of such Series either from (a) proceeds from the sale thereof or from any other legally available source or may be built up over time as provided by the Supplemental Indenture, or (b) by a Reserve Instrument, or (c) any combination thereof. Funds on deposit in accounts within the Debt Service Reserve Fund shall be used only to make up any deficiencies in accounts within the Bond Fund with respect to the related Series of Bonds.

(b) If on any Interest Payment Date the moneys held in the Bond Fund are insufficient to pay all interest, premium, if any, and principal then becoming due on the Bonds of a Series for which an account of the Debt Service Reserve Fund has been established, the Trustee shall transfer, on or before such date, moneys from the applicable accounts within the Debt Service Reserve Fund to the Bond Fund to the extent necessary so that the amount of money so transferred plus all moneys then held in the Bond Fund for such Series of Bonds shall be sufficient to pay all interest, premium, if any, and principal payments then becoming due and payable on such date;

(c) In the event funds on deposit in the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in an account of the Debt Service Reserve Fund to make up such deficiency and a Reserve Instrument applicable to such Series of Bonds is in effect, the Trustee shall immediately make a demand for payment on such Reserve Instrument, to the maximum extent authorized by such Reserve Instrument, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Authority shall be obligated to reinstate the Reserve Instrument from Base Rentals received from the City under Section 6.2 of the Master Lease, including any interest owing on any draws on the Reserve Instrument.

(d) No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds is Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required.

(e) In the event that the City shall exercise its option to purchase a Project or Projects and terminate its payment obligations under the Master Lease upon payment of the Purchase Option Price with respect to said Project or Projects, the Trustee shall transfer all moneys held in the Debt Service Reserve Fund (other than any amount drawn under any Reserve Instrument) applicable to said Project or Projects to the Bond Fund in accordance with the written direction of the City.

(f) In the event moneys are drawn from the related account of the Debt Service Reserve Fund to pay principal, premium or interest on the related Series of Bonds, such that there shall be remaining in said account an amount less than the Debt Service Reserve Requirement, the Trustee shall immediately give notice to the Authority and the City of such deficiency. Such account shall be replenished to the Debt Service Reserve Requirement upon the deposit by the Trustee of the additional Base Rental payment to be paid by the City pursuant to the Master Lease.

(g) Any moneys (other than any amount drawn under any Reserve Instrument) remaining in the related account of the Debt Service Reserve Fund with respect to a Series of Bonds on the final maturity of said Series of Bonds (whether at stated maturity or upon prior redemption) shall be transferred on such date into the Bond Fund.

(h) If, following the payment of principal and interest due on a Series of Bonds on each Interest Payment Date, the moneys (other than any amount drawn under any Reserve Instrument) held in the related account of the Debt Service Reserve Fund exceed the related Debt Service Reserve Requirement, all moneys in excess of said sum 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 Master Lease.

(i) Moneys at any time on deposit in an account of the Debt Service Reserve Fund shall be used to make up deficiencies in the Bond Fund only for the Series of Bonds

secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

Section 5.11 Use of Construction Fund; Disbursements.

(a) The moneys in the Construction Fund shall be expended in accordance with the provisions of the Master Lease and the Supplemental Indenture authorizing such Series of Bonds.

(b) The Authority covenants and agrees to take all necessary and appropriate action promptly in approving and ordering disbursements from the Construction Fund in accordance with provisions of the Master Lease. The Trustee is hereby authorized and directed to make each disbursement so requested by the City on behalf of the Authority and to issue its checks therefor, but only in compliance with the provisions of the Master Lease. The Trustee shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom, and after the related Project has been completed and a certificate of payment of all costs is, or has been, filed as provided in Section 7.4 of the Master Lease, the Trustee shall file an account thereof with the Authority and the City.

Section 5.12 Completion of Project. Any balance remaining in the Construction Fund following the establishment of the Completion Date for a Project pursuant to the Master Lease (except amounts the City shall have directed the Trustee to retain for any Cost of Acquisition and Construction not then due and payable) shall at the direction of the City and the Authority, be used as provided in the related Supplemental Indenture.

Section 5.13 Rebate Fund and Arbitrage Rebate.

(a) When directed in writing to do so by the Authority, the Trustee shall establish and thereafter maintain, so long as the Bonds are Outstanding, a Rebate Fund and an account therein for each such Series, which shall be held separate and apart from all other funds and accounts established under the Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for all Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, less amounts of Rebatable Arbitrage theretofore paid to the United States for all Series of Bonds, the Trustee shall, upon the Authority's request, withdraw from the Rebate Fund and pay to the Authority an amount not to exceed such excess.

(c) The Authority shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date. The Authority shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit

from the Funds and Accounts held under the Indenture other than the Rebate Fund) within 30 days of each such Rebate Calculation Date. The Authority shall instruct the Trustee to withdraw from the Rebate Fund and pay over to the United States Government with respect to each Series of Bonds: (1) not less frequently than once each five years commencing no later than 60 days after the first Rebate Calculation Date for such Series of Bonds and upon each fifth anniversary of such date, an amount which when added to all previous rebate payments made with respect to such Series of Bonds equals 90% of the sum of the Rebatable Arbitrage pertaining to such Series of Bonds, and (2) not later than 60 days after the retirement of the last Bond of such Series, 100% of the Rebatable Arbitrage with respect to such Series. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Authority from the Rebate Fund pursuant to the Indenture must be verified in writing by an independent public accountant or other qualified professional.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Authority and the City of the requirements of this Section. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Authority with the requirements of Section 148 of the Code or any successor. The Authority expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Authority to comply with the requirements of said Section 148 or any successor thereof.

(e) The Trustee, on behalf of the Authority shall keep and retain, until the date six years after the retirement of the last of the Bonds of each series, records with respect to each Series of the Bonds and the investment and expenditure of proceeds thereof to comply with the arbitrage rebate requirements of this Section, including without limitation a complete list of all investments and reinvestments of proceeds of each Series of the Bonds. For purposes of the computation required by this Section, the Trustee shall upon request, furnish to the Authority all information in the Trustee's control which is necessary for such computations.

(f) The Authority hereby covenants and agrees that it will not enter into any transaction or cause any transaction to be entered into with respect to the investment of proceeds of the Bonds, or otherwise, which reduces the amount which may be required to be paid to the United States pursuant to the arbitrage rebate requirements specified hereinabove, because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on each Series of the Bonds not been relevant to either party.

(g) The provisions of this Section may be amended or deleted, with respect to any or all Series of the Bonds, from this Indenture upon receipt by the Authority and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect (i) the exclusion from gross income of interest in the case of Tax-Exempt Bonds or (ii) the qualification of the Bonds for tax credits or Direct Payments in the case of Tax Credit Bonds.

Section 5.14 Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for account to any fund referred to in any provision of the Indenture or the Master Lease shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the payment of Bonds not then deemed Outstanding shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 5.15 Repayment to the City from Bond Fund or Debt Service Reserve Fund. Any amounts remaining in the Bond Fund or the applicable account within the Debt Service Reserve Fund after payment in full of the principal of and premium, if any, and interest on the Bonds of a Series, the fees, charges and expenses of Trustee and all other amounts required to be paid hereunder (including amounts owed to a Security Instrument or a Reserve Instrument Provider) shall be paid immediately to the City as an overpayment of Base Rentals or Additional Rentals. In the event that Direct Payments are deposited with the Trustee after the City has made the related payment of Base Rentals, the City may elect to have the Trustee return to the City an amount equal to such Direct Payments or to have the Trustee retain the Direct Payments in the Bond Fund and take the credit with respect to the next required Base Rentals payment.

Section 5.16 Custody of Separate Trust Fund. The Trustee is authorized and directed to establish a separate trust fund after the Completion Date to hold all Net Proceeds from any insurance policies, performance bonds or condemnation awards and disburse such proceeds in accordance with the Master Lease, or if the City directs that the Net Proceeds be applied to redeem Bonds pursuant to the Master Lease, the Authority covenants and agrees to transfer all of the Net Proceeds in such fund to the Bond Fund and to redeem the Bonds as provided in the Indenture.

Section 5.17 Cost of Issuance Account. The Trustee shall establish a Cost of Issuance Account, into which shall be deposited upon delivery of a Series of Bonds, sufficient moneys to pay costs of issuance of such Series of Bonds. The Trustee shall disburse said moneys upon receipt of written authorization to pay costs of issuance executed by an Authority Representative. Any remaining moneys on deposit therein after payment in full of all costs of issuance shall be transferred by the Trustee to the Construction Fund, unless otherwise specified by Supplemental Indenture.

Section 5.18 Creation of Reserve Instrument Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund to be designated the “Local Building Authority of the City of Saratoga Springs, Utah Reserve Instrument Fund” (herein defined as the “Reserve Instrument Fund”). By Supplemental Indenture, there may be established within the Reserve Instrument Fund a separate account for each Series of Bonds.

Section 5.19 Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid in order to reimburse or repay a Reserve Instrument Provider. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Authority to pay the amounts which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

ARTICLE VI

INVESTMENT OF MONEYS

Section 6.1 Trustee to Invest Funds. The City will direct the Trustee in investing amounts held in the funds created hereunder. Any moneys held as part of the Construction Fund, the Bond Fund, the Debt Service Reserve Fund, the Rebate Fund or any other fund shall be invested and reinvested by the Trustee in Investment Obligations at the written direction of the City in accordance with the provisions hereof and the Master Lease. Any such investments shall be held by or under the control of the Trustee. The Trustee shall sell and reduce to cash a sufficient amount of such investments within the Bond Fund whenever the cash balance therein is insufficient to pay the principal of and premium, if any, and interest on the Bonds when due. All income and earnings from the investment of amounts on deposit in any fund shall be retained therein; provided, however, that any moneys held in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement shall be transferred to the Bond Fund at least annually.

Section 6.2 Method of Valuation and Frequency of Valuation. In computing the amount in any Fund or account, Investment Obligations shall be valued at the fair market value of such obligations, exclusive of accrued interest. All funds and accounts are to be valued on the basis of a market valuation conducted annually by the Trustee.

ARTICLE VII

RIGHTS OF THE CITY

Section 7.1 Subordination of Master Lease to Indenture; Certain Rights to City. As provided in the Master Lease, the Master Lease and the City's interest in the Projects and its interest as lessee under the Master Lease shall at all times be subject to the lien of the Indenture; provided, however, that so long as no Event of Default hereunder or an Event of Nonappropriation has occurred and is then continuing, the Master Lease shall remain in full force and effect notwithstanding such subordination, and the City shall not be disturbed by the Authority or the Trustee in its possession, use and enjoyment of the Projects during the term of the Master Lease or in the enjoyment of its rights under the Master Lease; provided further that this Indenture and the rights and privileges hereunder of the Trustee and Bondholders are specifically made subject and subordinate to the rights and privileges of the City set forth in the Master Lease to exercise its option to purchase the Projects in the event of, and subsequent to, the occurrence of an Event of Default, but prior to the liquidation of the Authority's interest in the Projects. As a condition of the exercise of such option, the City under the Master Lease 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 Trustee 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 7.2 hereof.

Section 7.2 Granting of Rights in and to the Projects. Reference is made to the provisions of the Master Lease, whereby the Authority and the City have reserved the right to grant rights in and to certain portions of the Projects and to withdraw portions of the Projects from the terms of the Master Lease and the lien of this Indenture and the Security Documents upon

compliance with the terms and conditions of the Master Lease, unless otherwise provided by Supplemental Indenture.

Section 7.3 Release of Equipment Forming a Part of the Projects. Reference is made to the provisions of the Master Lease, whereby the City, may withdraw certain items of equipment forming a part of the Projects 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 Master Lease, unless otherwise provided by Supplemental Indenture.

Section 7.4 Release of Portions of Project Upon Payment of Related Series of Bonds. Pursuant to the Master Lease the City has been granted the option of purchasing a Project in advance of the final maturity of the related Series of Bonds. So long as no Event of Default shall have occurred and be continuing under the Indenture and so long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing under the Master Lease, a Project may be released from the lien created with respect to the related Series of Bonds and the Indenture and the Master Lease and transferred to the City if (a) the City shall deposit with the Trustee the Purchase Option Price for such Project; and (b) if any of the related Series of the Bonds are Tax-Exempt Bonds or Tax Credit Bonds qualifying for Direct Payments, there shall have been delivered to the Trustee an opinion of nationally recognized bond counsel to the effect that the release of the Project will not adversely affect the excludability of interest on said Bonds, if applicable, from the federal gross income of the owners thereof or affect the status of the Bonds as Tax Credit Bonds qualifying for Direct Payments.

For purposes of this Section 7.4 the Authority may, in the Supplemental Indenture authorizing a Series of Bonds, designate a subseries of such Series of Bonds with respect to any discreet portion of a Project financed with such Series of Bonds and in the Master Lease or an amendment to Master Lease provide for a separate schedule of Base Rental payments and Purchase Option Price for such subseries. The City shall be entitled to the option to purchase such discreet portion of a Project upon payment of the related Purchase Option Price for such portion of the Project and compliance with the provisions of the preceding paragraph.

ARTICLE VIII

DISCHARGE OF LIEN

If the Authority shall pay or cause to be paid, or there shall be otherwise paid or unconditional 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 Bonds at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee and any paying agents, all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions hereof and any Supplemental Indenture (including any make whole interest payment or redemption premiums), then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Authority and the City any and all the estate, right, title and interest in and to any and all rights assigned to the Trustee or otherwise subject to the lien of the Indenture, including amounts in the Bond Fund and the Debt Service Reserve Fund and all rights granted under the Security Documents, except moneys or

securities held by the Trustee for the payment of the principal of and premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of the Indenture when (a) 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 the Indenture, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust, and the Trustee shall have irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment, and/or (2) Direct Obligations maturing as to principal and interest in such amount and at such times as will insure, without reinvestment, the availability of sufficient moneys to make such payment as verified by a certified public accountant, and (b) all necessary and proper fees, compensation and expenses of the Trustee and any paying agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Direct Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until: (a) proper notice of redemption of such Bonds shall have been previously given in accordance with Article III of this General Indenture, or in the event said Bonds are not by their terms subject to redemption within the next succeeding sixty days, until the Authority shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Bondholders of the Bonds, in accordance with Article III hereof, that the deposit required by (a)(ii) above has been made with or for the benefit of the Trustee and that said Bonds are deemed to have been paid in accordance with this Article VIII, 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 Bonds and to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity; or (b) the maturity of such Bonds.

All moneys so deposited with or for the benefit of the Trustee as provided in this Article VIII may at the direction of the Authority also be invested and reinvested in Direct Obligations, maturing in the amounts and at times as hereinbefore set forth, and all income from all Direct Obligations pursuant to this Article VIII which is not required for the payment of the 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.

The Authority hereby covenants that no deposit will be made hereunder and no use made of any such deposit which would cause the Tax-Exempt Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code.

Notwithstanding any provision of any other Article of the Indenture which may be contrary to the provisions of this Article, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of this Article VIII for the payment of Bonds (including interest and

premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Direct Obligations have been so set aside in trust.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF THE TRUSTEE AND BONDHOLDERS

Section 9.1 Events of Default. If any of the following events occur, it is hereby declared to constitute an “Event of Default” under this Indenture:

- (a) Failure to pay when due interest on any Bond;
- (b) Failure to pay when due the principal of, or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof (other than the event contemplated in Section 3.4(d) herein, which shall not be an Event of Default);
- (c) Failure to perform or observe any other of the covenants, agreements or conditions on the part of the Authority contained in the Indenture or in the Bonds and failure to remedy the same after notice thereof pursuant to Section 9.13 hereof;
- (d) The occurrence of an event of default under the terms of any of the other 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 Projects;
- (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 Projects, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty 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 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 Projects or any part thereof, and such custody or control shall not be terminated within sixty days from the date of assumption of such custody or control; or

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

Section 9.2 Acceleration, Limitation on Remedies. Upon the occurrence and continuation of an Event of Default, the Trustee shall (subject to the rights of any Security Instrument Issuer contained in a Supplemental Indenture) have all the rights and remedies with respect to the Trust Estate as the Authority, as lessor, has against the Projects and the City under the pertinent provisions of the Master Lease; and the Trustee may, and upon the written request of Bondholders of not less than 25% in aggregate principal amount of the Bonds Outstanding shall, by notice in writing delivered 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 without further action. Such amounts of principal and interest shall bear interest from the date of acceleration, as herein provided, until paid at the same rate borne by the accelerated Bonds prior to acceleration.

Upon any sale made either under the power of sale given in this Article IX 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 Indenture and/or the Security Documents, the principal of all Bonds then outstanding, if not previously due, shall at once become and be immediately due and payable without declaration or notice by the Trustee or the Bondholders.

Notwithstanding anything to the contrary contained in the Indenture, no deficiency judgment upon foreclosure of the lien of the Indenture or of the Security Documents against the Projects may be entered against the City or the Authority, and no breach of any provision of the Master Lease, the Security Documents or this Indenture 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 of Default or an Event of Nonappropriation under the Master Lease; provided to the extent permitted by law that the Trustee may, subject to compliance with the applicable provisions of the “one action rule” set forth in Title 78B, Chapter 6, Utah Code Annotated 1953, as amended, recover from the City (a) the portion of Base Rentals and Additional Rentals (including amounts owed to any Security Instrument Issuer and any Reserve Instrument Provider) which are or would otherwise have been payable under the Master Lease during any period in which the City continues to use, occupy and operate a Project or Projects or any portion thereof; and (b) Base Rentals and Additional Rentals which are or would otherwise have been payable by the City under the Master Lease during the remainder, after the City vacates the applicable Project or Projects, of the then-current annual term of the Master Lease in which such Event of Default occurs for which term the City had lawfully appropriated moneys for purposes of paying such Base Rentals and Additional Rentals; provided, however, that the Authority shall be obligated to the City to use its best efforts to lease or sublease the Project or Projects for the remainder of such annual term, and the Net Proceeds of such leasing shall be offset against the amount recoverable from the City under this clause (b).

Notwithstanding anything contained herein to the contrary, the rights and privileges of the Trustee and the Bondholders are subject to the right of the City to purchase the Project or Projects as set forth in the Master Lease and the Trustee shall make no final sale or other final disposition

of any interest in said Project or Projects 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 days from the mailing of such notice to exercise its option and purchase the Project or Projects.

Section 9.3 Surrender of Possession of Projects; Rights and Duties of Trustee in Possession. Subject to Section 9.2 hereof, upon the occurrence and continuation of an Event of Default under the Indenture, the Authority, upon demand of the Trustee, shall forthwith surrender, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Projects together with the books, papers and accounts of the Authority pertaining thereto, and including the rights and the position of the Authority with respect to the Projects under the Master Lease and to make all needful repairs and improvements as the Trustee shall deem wise. Upon the occurrence and continuation of an Event of Default, the Trustee may execute a written notice of default and an election to cause the Authority's interest in the Projects or any portion thereof to be sold (subject to any reversionary rights of the City which may be retained in the Project site or sites in the event any ground lease may be executed between the Authority and the City) to satisfy the obligations of the Authority under the Indenture in accordance with the provisions of the Security Documents and/or may cause a sale of personal property as provided by law. The Trustee may also lease or otherwise dispose of the Authority's interest in the Projects in the name and for the account of the Authority and in such manner as the Trustee, in its sole discretion, may elect. In connection with any such sale or leasing of the Projects, the Trustee 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 Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the lien of the Indenture and the Security Documents which the Trustee 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 9.8 hereof. Whenever all that is due upon the Bonds and all other obligations secured hereby shall have been paid and all defaults made, cured or waived, the Trustee shall surrender whatever possession the Trustee 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 Trustee shall render annually to the Authority and the City and, at the request and at the expense of any Bondholder, at its address set forth in the registration book required by Section 4.6 hereof, a summarized statement of income and expenditures in connection therewith.

While any Bonds are Outstanding, the Authority shall not exercise any of the remedies on default specified in the Master Lease without the prior written consent of the Trustee and any Security Instrument Issuer.

Section 9.4 Other Remedies; Rights of Bondholders. Except as otherwise limited by the provisions of the Indenture and subject to the rights of any Security Instrument Issuer, upon the occurrence of an Event of Default under the Indenture, the Trustee may, upon being satisfactorily indemnified, pursue any available remedy that it deems to be in the best interest of

the Bondholders by suit at law or in equity to enforce the payment of the principal of and premium, if any, and interest on the Bonds then Outstanding.

Subject to Section 9.5, if an Event of Default shall have occurred under the Indenture, and if requested so to do by the Bondholders of 25% in aggregate principal amount of Bonds then Outstanding and indemnified as provided in Section 10.1 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 9.4 and by Section 9.2 hereof, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or 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 Trustee or 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 the Indenture 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. Every power or remedy given by the Indenture, the Master Lease or the Security Documents or to which the Trustee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Trustee, and the Trustee may pursue inconsistent remedies.

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

Notwithstanding anything contained herein or in the Security Documents to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Trustee to liability under any Environmental Law, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. The term "Environmental Law" shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto. The term "Hazardous Substances" shall mean any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or other similar term, and now or hereafter regulated under any Environmental Law, including without limitation, asbestos, petroleum and hydrocarbon products. The Trustee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action.

Section 9.5 Right of Bondholders to Direct Proceedings. The Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, 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 the Indenture and such bondholders have provided the Trustee indemnification as it is provided in Article X. Unless indemnified therefore, the Trustee shall have the right to decline to follow any direction of Bondowners that in the sole discretion of the Trustee would be unjustly prejudicial to the Trustee or to Bondowners not parties to such direction, that would expose the Trustee to unreasonable liability or financial exposure or that is not in accordance with law or the provisions of this Indenture, shall be entitled to rely without further investigation or inquiry upon any direction given by the Owners of a majority in aggregate principal amount of the Bonds Outstanding, and shall not be responsible for the propriety of or liable for the consequences of following any such direction. Notwithstanding anything to the contrary contained herein, unless indemnified therefor, the Trustee shall not be required to foreclose the lien of the Security Documents or bid on behalf of Bondowners at any foreclosure sale (a) if, in the Trustee's sole discretion, such action would subject the Trustee to personal liability for the cost of investigation, removal and/or other remedial activity with respect to Hazardous Substances or (b) if the presence of Hazardous Substances on the property subject to the lien of the Security Documents results in such property having no or nominal value. It is acknowledged and agreed that the Trustee has no authority to manage, own or operate the Project, or any portion thereof, except as necessary to exercise remedies upon default.

Section 9.6 Appointment of Receivers. Upon the occurrence of an Event of Default under the Indenture and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under the Indenture, the Trustee shall be entitled to the appointment of a receiver or receivers of the Trust Estate 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 9.7 Waiver. Upon the occurrence of an Event of Default under the Indenture, 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 now or hereafter in force, in order to prevent or hinder the enforcement of the Indenture, 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 9.8 Application of Moneys. All moneys received by the Trustee 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 by the Trustee, including any Trustee fees and the fees and expenses of its counsel, be deposited in the Bond Fund and all moneys in the Bond Fund (except as otherwise provided herein or in a Supplemental Indenture) shall be applied as follows:

(a) Unless the principal of all the 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 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 to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND-To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due (with interest on overdue installments of interest, at the same rate as the rate of the respective Bond or Bonds which are past due) and, if the amount available shall not be sufficient to pay in full 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 of the persons entitled thereto as the same shall become due of the principal of and premium, if any, and interest on the 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 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 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 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 Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege, plus, to the extent permitted by law, 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 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 IX then, subject to the provisions of Section 9.8(b) hereof in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 9.8(a) hereof.

(d) Following the payment of amounts due with respect to the Bonds, remaining amounts shall be applied to the payment of all obligations then due and payable to any

Security Instrument Issuer or Reserve Instrument Provider in connection with any Security Instrument or applicable Reserve Instrument, respectively.

Whenever moneys are to be applied pursuant to the provisions of this Section 9.8, such moneys shall be applied at such times, and from time to time, as the Trustee 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 the Trustee, and the Trustee shall have no liability whatsoever to the Authority, to any Bondholder, or to any other person for any delay in applying any such moneys, so long as the Trustee 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 Trustee. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest 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 Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Bondholder of any Bond until such Bond shall be presented to Trustee for appropriate endorsement or for cancellation if fully paid (unless otherwise specified by Supplemental Indenture).

Whenever the principal of and premium, if any, and interest on all Bonds and all Reserve Instrument Repayment Obligations have been paid under the provisions of this Section 9.8 and all fees, expenses and charges of the Trustee and its counsel have been paid, any balance remaining in the Bond Fund shall be paid to the City as provided in Section 5.15 of this General Indenture as overpayment of Base Rentals.

Section 9.9 Remedies Vested in the Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall be for the equal and ratable benefit of the Bondholders of the Outstanding Bonds.

Section 9.10 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 the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in Section 10.1(h) hereof, or of which by said subsection it is deemed to have notice, nor unless also such default shall have become an Event of Default under the Indenture and the Bondholders of 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, nor unless also they have offered to the Trustee indemnity as provided in Section 10.1 hereof, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be

conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy hereunder; 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 the Indenture 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 Bonds then Outstanding. However, nothing contained in the Indenture 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 Bond at and after the maturity thereof or the redemption date established therefor, or the obligation of the Authority to pay the Bonds issued hereunder to the respective Bondholders thereof at the time, place, from the source and in the manner in the Bonds expressed.

Section 9.11 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under the Indenture 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, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 9.12 Waivers of Events of Default. The Trustee may, with the consent of all Security Instrument Issuers and upon the written direction of Security Instrument Issuers insuring a majority of the Bonds then Outstanding or, if some Bonds are uninsured, any combination of Bondholders and Security Instrument Issuers are representing a majority of the Bonds then Outstanding, waive any Event of Default under the Indenture and its consequences and rescind any declaration of maturity of the principal of the Bonds; provided, however, that there shall not be waived (1) any Event of Default under the Indenture in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein, or (2) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interests (including interest 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 fees and expenses of the Trustee and its counsel, 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 Trustee, the Security Instrument Issuers 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, the Trustee 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 9.13 Notice of Events of Default under Section 9.1(c); Opportunity of the Authority and the City to Cure Such Events of Default. Anything herein to the contrary notwithstanding, no default under Section 9.1(c) hereof shall constitute an Event of Default under the Indenture until actual notice of such default by registered or certified mail shall be given to the Authority and the City by the Trustee or by the Bondholders of not less than 25% in aggregate principal amount of all Bonds Outstanding, and the Authority and the City shall have had thirty 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 the Indenture if corrective action is instituted by the Authority and the City within the applicable period and diligently pursued, to the satisfaction of the Trustee until the default is corrected (provided that no such grace period shall exceed 90 days unless the Security Instrument Issuers shall have consented thereto).

With regard to any default concerning which notice is given to the Authority and the City under the provisions of this Section 9.13, 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.

Section 9.14 Cooperation of Authority. The Authority covenants and agrees that should there be an Event of Default under the Master Lease with the result that the right of possession of the Projects is returned to the Authority, the Authority shall fully cooperate with the Trustee and with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and, if requested by the Trustee or any Bondholder, shall use its best efforts to secure a purchaser or another lessee of the Projects so that at all times sufficient rents and other amounts will be derived from the Projects promptly to meet and pay the principal of and premium, if any, and interest on the Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Projects required under the Master Lease. Nothing herein shall be construed as requiring the Authority to operate the Projects or to use any funds or revenues from any source other than the rents and other amounts derived from the Projects.

Section 9.15 Limitation on Remedies and Acceleration During Acquisition and Construction of Portions of Projects. Notwithstanding the provisions of this Article IX or other provisions of the Indenture, the Master Lease or of the Security Documents to the contrary, in the event that (a)(i) a portion of the Projects (the “Completed Portion of the Projects”) financed with a separate Series of Bonds is accepted by the City for use and occupancy under the Master Lease, and (ii) the acquisition and construction of additional portions of the Projects (the “Uncompleted Portion of the Projects”) financed with one or more Series of Bonds (other than the Series of Bonds described in (i) above) have yet to be completed, and (b) an Event of Default occurs due to the failure to complete the Uncompleted Portion of the Projects, the following limitations shall apply:

(a) Such Event of Default shall be limited to the Series of Bonds issued to finance the Uncompleted Portion of the Projects and not the Series of Bonds issued to finance the Completed Portion of the Projects;

(b) The City shall, subject to the occurrence of an Event of Nonappropriation, continue to pay Base Rentals and Additional Rentals with respect to the Completed Portion of the Projects, and the Master Lease shall remain in full force and effect with respect to the Completed Portion of the Projects;

(c) The Trustee shall use the amounts on deposit in the related account of the Debt Service Reserve Fund to pay amounts due on the Series of Bonds issued to finance

the Uncompleted Portion of the Projects and amounts on deposit in the account of the Debt Service Reserve Fund relating to the Series of Bonds issued to finance the Completed Portion of the Projects shall not be used to pay amounts due on the Series of Bonds issued to finance the Uncompleted Portion of the Projects;

(d) The Series of Bonds issued to finance the Completed Portion of the Projects shall not be accelerated or otherwise affected by the Event of Default described in this Section 9.15; and

(e) The Trustee shall not proceed to exercise any remedies under the Indenture or the Security Documents relating to the Completed Portion of the Projects with respect to the Event of Default described in this Section 9.15.

ARTICLE X

THE TRUSTEE

Section 10.1 Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by the Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default under the Indenture and after the curing of all Events of Default under the Indenture which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an Event of Default has occurred under the Indenture (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise, as a corporate trustee would exercise or use under the circumstances in the conduct of its own affairs.

No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that (i) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred:

(A) The duties and obligations of the Trustee shall be determined solely by the express provisions of the Indenture, and the Trustee shall be liable only for the performance of such duties and obligations as are specifically set forth in the Indenture, and no implied covenant or obligation shall be read into the Indenture against the Trustee; and

(B) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee conforming to the requirements of the Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of the Indenture;

and (ii) the Trustee shall not be liable for any other judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same appointed in accordance with the standard specified above, and shall be entitled to advice of counsel (including its own in-house counsel) concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority or the City), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in any official statement or in the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds), or for insuring the Projects or collecting any insurance moneys, or for the validity of the execution by the Authority of the Indenture, or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value of title of the Projects or any lien waivers with respect to the Projects; provided, however, that the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Authority or on the part of the City under the Master Lease in connection with the matters referred to in Article XIV of the Master Lease, except as hereinafter set forth; but the Trustee may require of the Authority or the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed and the Trustee shall not be responsible for any loss suffered in connection with any investment of funds made by it in accordance with Article VI hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to the Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Bondholder of any Bonds, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by the Authority Representative or the City Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the

Trustee has been notified as provided in Section 10.1(h) hereof, or of which by said Section 10.1(h) it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of any of the officers of the Authority who have executed the Bonds (or their successors), and of any member of the governing body of the City, to the effect that a resolution in the form therein set forth has been adopted by the Authority or the City, as the case may be, as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default under the Indenture except an Event of Default under Section 9.1(a) or 9.1(b) hereof or the failure by the Authority to cause to be made any of the payments to the Trustee required to be made by Article IV hereof or failure by the Authority, any Security Instrument Issuer or the City to file with the Trustee any document required by the Indenture or the Master Lease to be so filed subsequent to the issuance of the Bonds, unless the Trustee shall be specifically notified in writing of such default by the Authority or by the Holders of at least 25% in aggregate principal amount of any Series of Bonds then Outstanding, and all notices or other instruments required by the Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books and records of the Authority pertaining to the Projects and the Bonds, and to take such memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in the Indenture with respect to the authentication of any Bonds, the withdrawal of any cash or the taking of any action whatsoever, within the purview of the Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certifications, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee deemed desirable for the purpose of establishing the right of the Authority to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(l) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Bondholders, pursuant to the provisions of the Indenture, unless such Bondholders shall have offered to the Trustee security or indemnity acceptable to it against the fees, costs, expenses and liabilities, including fees and expenses of its counsel, which may be incurred therein or thereby.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

Section 10.2 Fees, Charges and Expenses of the Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services and such other compensation as may be authorized under the Master Lease. Upon an Event of Default under the Indenture, but only upon such an Event of Default, the Trustee shall have a first lien with right of payment, prior to payment on account of principal of and premium, if any, and interest on any Bond, upon the Trust Estate for the foregoing fees, charges and expenses incurred by it.

Section 10.3 Notice to Bondholders. The Trustee shall give to the Bondholders notice of each default hereunder known to the Trustee (or of which the Trustee is deemed to have notice by Section 10.1(h) hereof) within ninety days after the occurrence thereof, unless such default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of principal of or premium, if any, or interest on any of the Bonds, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders. Each such notice of default shall be given by the Trustee by mailing written notice thereof to all Bondholders of Bonds then outstanding whose names appear on the list of Bondholders as provided in Section 4.6 hereof.

Section 10.4 Intervention by the Trustee. In any judicial proceeding to which the Authority is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interest of owners of the Bonds, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the Bondholders of at least 25% of the aggregate principal amount of Bonds then Outstanding.

Section 10.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor to the Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act,

deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.6 Resignation by the Trustee. The Trustee and any successor to the Trustee may at any time resign from the trusts herein created by giving sixty (60) days' written notice by registered or certified mail to the Authority and to the Bondholders of each Bond as shown by the list of Bondholders required by Section 4.6 hereof to be kept by the Trustee, and such resignation shall take effect only upon the appointment of a successor Trustee by the Bondholders or by the Authority; provided, however that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 10.7 Removal of the Trustee. The Trustee may be removed by the Authority at any time, by an instrument or concurrent instruments in writing delivered to the Trustee, provided that such instrument or instrument concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 10.8 Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Authority by an instrument or concurrent instruments executed by its Chair/President and attested by its Secretary-Treasurer under its seal (or, if an Event of Default exists, by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Authority by an instrument executed by the Chair/President and attested by the Secretary-Treasurer under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Authority shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners). The original Trustee and every such Trustee appointed pursuant to the provisions of this Section 10.8 shall be a trust company or bank in good standing located in or incorporated under the laws of the State duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than Seventy-Five Million Dollars (\$75,000,000).

Section 10.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority and the City an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such

successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article X, shall be filed or recorded by the successor Trustee in each recording office where the Indenture shall have been filed or recorded. Additionally, all substitutions of Trustee under the Security Documents shall be filed or recorded in accordance with the laws of the State.

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee hereunder and Bond Registrar for the Bonds and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Bond Registrar and Paying Agent for the Bonds.

Section 10.10 Right of the Trustee to Pay Taxes and Other Charges. In case any tax, assessment, governmental or other charge upon, or insurance premium with respect to, any part of a Project or Projects is not paid as required herein or in the Master Lease or the Security Documents, the Trustee may pay such tax, assessment, governmental or other charge, or insurance premium, without prejudice, however, to any rights of the Trustee or the Bondholders arising in consequence of such failure; and any amount at any time so paid under this Section 10.10, with interest thereon from the date of payment at a rate per annum equal to the then prevailing one-month U.S. Federal Treasury Rate as of the date of payment, but in no event less than a rate of 3.5% per annum, shall become so much additional indebtedness secured by the Indenture, and the same shall be given a preference in payment over any of the Bonds, and shall be paid out of the proceeds of Base Rentals or Additional Rentals collected from the Projects, if not otherwise caused to be paid; but the Trustee shall not be under any obligation to make any such payment unless it shall have been requested to do so by the Bondholders of at least 25% of the aggregate principal amount of Bonds then Outstanding and shall have been provided with adequate funds for the purpose of such payment.

Section 10.11 Appointment of Co-Trustee. It is the purpose of the Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that in case of litigation under the Indenture, the Master Lease, or the Security Documents, and in particular in case of the enforcement of either upon an Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or Co-Trustee. The following provisions of this Section 10.11 are adapted to these ends. The Trustee may appoint an additional individual or institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by the Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and

obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Authority be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

Section 10.12 Trustee Not Responsible for Actions of Authority. The Trustee shall not be liable or responsible because of the failure of the Authority or of any of its officers, employees or agents to make any collections or deposits, or to perform any act herein required of the Authority or its officers, directors, employees or agents. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with the provisions of the Indenture. The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 10.13 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by the Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under the Indenture.

Section 10.14 Requirements as to Trustee's Records. So long as any of the Bonds shall remain outstanding:

(a) the records of the Trustee pertaining to the Bonds and to the Trustee hereunder shall be available to and open for inspection at all reasonable times by the Authority, the City and all other governmental bodies legally entitled to inspect such records, and

(b) the Trustee shall retain in its possession all financial statements furnished to it pursuant to the Indenture. The Trustee shall transfer to any successor trustee copies of the records of the Trustee pertaining to the Bonds.

Section 10.15 Trustee's Own Funds. No provision of the Indenture or of the Bond Documents shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 10.16 Direct Payment Authorization. (a) The Authority hereby authorizes and directs the Trustee to take all necessary actions to effectively carry out the duties required to apply

for and accept Direct Payments from the Internal Revenue Service on behalf of the Authority under Sections 54AA, 1400U-2, and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized. In connection with such application and acceptance of Direct Payments, the Authority shall provide to the Trustee (i) a copy of the executed Form 8038-TC filed in connection with the issuance of the Bonds, (ii) an incumbency certificate listing the officers of the Authority authorized to act on behalf of the Authority under this Indenture and (iii) such other instruments, opinions and certificates as the Trustee may reasonably request. Upon receipt of any Direct Payments, the Trustee shall promptly deposit such payment in the Bond Fund for use in paying debt service on the Bonds. Failure by the Trustee to prepare or file the Form 8038-CP shall not affect any payment obligations of the Authority hereunder. The Authority hereby authorizes and directs the Trustee to prepare and file the IRS Form 8038-CP as may be required from time to time under the Code as are within its power and are requested by and at the expense of the Authority and agreed to by the Trustee, to request the Direct Payments. The Form 8038-CP shall authorize the Direct Payments requested in accordance with this clause (a) to be paid to the Trustee.

(b) For fixed rate bonds, at least ninety (90) days prior to each Interest Payment Date with respect to the Bonds, the Trustee shall deliver to the Authority by a delivery method that provides the Trustee with evidence of delivery a completed Form 8038-CP, which is to be signed by an Authority Representative. The form and the certification shall be sent to the attention of an Authority Representative for the Authority's signature. The Authority shall return such signed Form 8038-CP to the Trustee not later than eighty (80) days prior to each Interest Payment Date with respect to the Bonds, by a delivery method which provides the Authority with evidence of delivery. Not more than ninety (90) and not less than seventy (70) days prior to each Interest Payment Date for the Bonds, the Trustee shall file, or cause to be filed a Form 8038-CP with the Internal Revenue Service Center, Ogden, Utah 84201, or any successor location specified by the Internal Revenue Service, or take such other or additional actions as may be required from time to time under the Code as are within its power and are requested by the Authority and agreed to by the Trustee, to request the Direct Payments with respect to such Interest Payment Date. Upon completion of filing, the Trustee shall deliver a copy of such Form 8038-CP to the Authority.

(c) For variable rate bonds, no more than five (5) days after the last Interest Payment Date within the calendar quarter period for which reimbursement is being requested, the Trustee shall deliver to the Authority by a delivery method that provides the Trustee with evidence of delivery a completed Form 8038-CP, which is to be signed by an Authority Representative. The form and certification shall be sent to the attention of an Authority Representative. The Authority shall return such signed Form 8038-CP to the Trustee not later than twenty (20) days after the last Interest Payment Date within the calendar quarter period for which reimbursement is being requested with respect to the Bonds, by a delivery method which provides the Authority with evidence of delivery. Not more than 35 days after the last Interest Payment Date within the calendar quarter period for which reimbursement is being requested, the Trustee shall file or cause to be filed a Form 8038-CP with the Internal Revenue Service Center, Ogden, Utah 84201, or any successor location specified by the Internal Revenue Service, or take such other or additional actions as are within its power and are requested by the Authority and agreed to

by the Trustee, to request the Direct Payments with respect to such prior Interest Payment Dates. Upon completion and filing, the Trustee shall deliver a copy of such Form 8038-CP to the Authority.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 11.1 Supplemental Indentures Not Requiring Consent of Bondholders. The Authority and the Trustee may (subject to the rights of any Security Instrument Issuer under any Supplemental Indenture), without consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to the Indenture which shall not be inconsistent with the general terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee;
- (c) To subject to the Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any indenture 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 Bonds for sale under the securities laws of any of the states of the United States of America;
- (e) To evidence the appointment of a separate Trustee or a Co-Trustee or paying agent or the succession of a new Trustee or paying agent hereunder;
- (f) To issue the Initial Bonds, Refunding Bonds or Additional Bonds in accordance with the Indenture and the Master Lease; and
- (g) To make any other change which, in the judgment of the Trustee is not materially adverse to the Trustee or, as evidenced by an opinion of counsel delivered to the Trustee, the holders of the Bonds.

Section 11.2 Supplemental Indentures Requiring Consent of Bondholders. Exclusive of Supplemental Indentures 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 66 2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such Supplemental Indentures 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 the Indenture or in any Supplemental Indenture; 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 Bond issued hereunder, or (ii) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indentures, or (v) permit the creation of any lien ranking prior to or on a parity with the lien of the Indenture and the Security Documents on the Trust Estate or any part thereof (except in connection with the issuance of Refunding Bonds or Additional Bonds), or (vi) deprive the Bondholder of any Bond then Outstanding of the lien hereby created on any material portion of the Trust Estate, without the prior consent of the Bondholders of 100% of the Bonds affected by such action. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which adversely affects the Trustee's rights, deeds or immunities under the Indenture or the Master Lease.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 11.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 4.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders. If the Bondholders of not less than 66 2/3% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond 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 Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Article XI permitted and provided, the Indenture 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 Projects shall have occurred and be continuing under the Master Lease, a Supplemental Indenture under this Article shall not become effective unless and until the City shall have consented to the execution and delivery of such Supplemental Indenture. In this regard and except with respect to Supplemental Indentures for which the City has otherwise been notified, the Trustee shall cause notice of the proposed execution of any such Supplemental Indenture together with a copy of the proposed Supplemental Indenture to be mailed by certified or registered mail to the City at least fifteen days prior to the proposed date of execution and delivery of any such Supplemental Indenture. The City shall be deemed to have consented to the execution and delivery of any such Supplemental Indenture if the Trustee 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 MASTER LEASE

Section 12.1 Amendments, etc., to Master Lease Not Requiring Consent of Bondholders. The Authority and the Trustee shall without the consent of or notice to the Bondholders (subject to the rights of any Security Instrument Issuer in a Supplemental Indenture) consent to any amendment, change or modification of the Master Lease as may be required (i) by the provisions of the Indenture and the Master Lease (including those provisions applicable to the issuance of the Initial Bonds, Refunding Bonds and Additional Bonds), (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) so as to more precisely identify the Projects, or the Project sites or substitute or add additional improvements or equipment to the Projects or additional rights or interests in property acquired in accordance with the provisions of the Master Lease, or (iv) in connection with any amendment to the Indenture pursuant to Section 11.1 hereof, or (v) in connection with any other change therein which, in the judgment of the Trustee is not materially adverse to the Trustee or, as evidenced by an opinion of counsel delivered to the Trustee, the holders of the Bonds.

Section 12.2 Amendments, etc., to the Master Lease Requiring Consent of Holders of the Bonds. Except for the amendments, changes or modifications as provided in Section 12.1 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Master Lease without mailing of notice and receipt of the written approval or consent of the Holders of not less than 66 2/3% in aggregate principal amount of the Bonds at the time outstanding given as in this Section 12.2 provided and the consent of any Security Instrument Provider as provided in any Supplemental Indenture. If at any time the Authority and the City shall request the consent of the Trustee to any such proposed amendment, change or modification of the Master Lease, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 11.2 of the Indenture with respect to Supplemental Indentures. 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 principal office of Trustee for inspection by all Holders of the Bonds. No such amendment, change or modification of the Master Lease shall reduce the aggregate principal amount of the Bonds the Bondholders of which are required to consent to any amendment, change or modification of such Master Lease, or materially reduce or postpone payments required to be made under the Master Lease without the consent of all of the Holders of the Bonds Outstanding. Approval or consent shall be evidenced in a manner acceptable to the Trustee and the Authority.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Consents, etc. of Bondholders. Any consent, request, direction, approval, objection or other instrument required by the Indenture to be signed and executed by the Bondholders may be in any number of 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 Bonds, if made in the following manner, shall be sufficient for any of the purposes of the Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, 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 Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the registration books of the Authority maintained by the Trustee pursuant to Section 4.6 of the Indenture.

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 the Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, any Security Instrument Provider, any Reserve Provider, and the holders of the Bonds, any legal or equitable right, remedy or claim under or with respect to the Indenture or any covenants, conditions and provisions herein contained; the Indenture 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, the City, any security Instrument Provider, any Reserve Provider and the Bondholders as herein provided.

Section 13.3 Severability. If any provision of the Indenture 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 notice, 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 facsimile addressed as follows: If to the Authority, to the Local Building Authority of the City of Saratoga Springs, Utah, 1307 North Commerce Drive, Saratoga Springs, Utah, 84045, Attention: Chair/President; if to the Trustee, to Zions Bancorporation, National Association, Salt Lake City, One South Main Street, 12th Floor, Salt Lake City, Utah, 84133, Attention: Corporate Trust Department; if to the City, 1307 North Commerce Drive, Saratoga Springs, Utah, 84045, Attention: Mayor. A duplicate copy of each notice required to be given hereunder by the Trustee to either the Authority or the City shall also be given to the others. The Authority, the City, and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.5 Payments Due on Days other than Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be other than a Business Day, 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 Counterparts. This General Indenture 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 13.7 Applicable Provisions of Law. The Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its corporate name and with its official seal hereunto affixed and attested by its duly authorized officers, and to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be executed in its corporate name with its corporate seal hereunto affixed all by its duly authorized officers, as of the date first above written.

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Chair/President

ATTEST AND COUNTERSIGN:

By: _____
Secretary-Treasurer

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____

Title: Vice President

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of _____, 2023

between

LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

Supplementing the General Indenture of Trust Dated as of _____, 2023

TABLE OF CONTENTS

ARTICLE I SUPPLEMENTAL INDENTURE; DEFINITIONS	3
Section 1.1 Supplemental Indenture.	3
Section 1.2 Uniform Definitions.....	3
Section 1.3 Amended Definitions.	3
Section 1.4 Additional Definitions.	3
ARTICLE II ISSUANCE OF THE SERIES 2023 BONDS.....	4
Section 2.1 Principal Amount, Designation and Series.	4
Section 2.2 Date, Maturity and Interest Rates.	4
Section 2.3 Redemption.	5
Section 2.4 Execution of Bonds.....	7
Section 2.5 Delivery of Bonds.	7
Section 2.6 Limited Obligation.....	7
Section 2.7 Series 2023 Bonds to Remain Tax-Exempt.	8
Section 2.8 Record of Payment.....	8
Section 2.9 Book-Entry Only System.....	8
ARTICLE III FUNDS AND ACCOUNTS	10
Section 3.1 Creation of Series 2023 Accounts.....	10
Section 3.2 Disbursement of Series 2023 Bond Proceeds.	10
Section 3.3 Costs of Issuance Account; Payment of Costs of Issuing Series 2023 Bonds.	11
Section 3.4 Debt Service Reserve Requirement.	11
Section 3.5 Deposit to and Use of Series 2023 Account of Construction Fund.	11
Section 3.6 Series 2023 Bonds as Initial Bonds.	11
ARTICLE IV CONFIRMATION OF GENERAL INDENTURE	12
Section 4.1 Confirmation of General Indenture.....	12
ARTICLE V MISCELLANEOUS	12
Section 5.1 Confirmation of Sale of Series 2023 Bonds.	12
Section 5.2 Illegal, etc. Provisions Disregarded.	12
Section 5.3 Applicable Law.	12
Section 5.4 Headings for Convenience Only.	12
Section 5.5 Counterparts.	12

EXHIBIT A FORM OF SERIES 2023 BONDS	A-1
EXHIBIT B COST OF ISSUANCE DISBURSEMENT REQUEST	B-1

This FIRST SUPPLEMENTAL INDENTURE OF TRUST, dated as of _____, 2023 (the “First Supplemental Indenture”), by and between the LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH, a nonprofit corporation duly organized and existing under the laws of the State of Utah (the “Authority”), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah (the “Trustee”),

W I T N E S S E T H:

WHEREAS, the Authority has entered into a General Indenture of Trust, dated as of _____, 2023 (the “General Indenture”) with the Trustee; and

WHEREAS, the City of Saratoga Springs, (the “City”) has previously authorized and directed the creation of the Authority; and

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

WHEREAS, under the Articles of Incorporation of the Authority (the “Articles”) and the Act (hereinafter defined), 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 Local Building Authority Act and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Local Government Bonding Act and together with the Building Authority Act and the Nonprofit Corporation Act, the “Act”) in order to accomplish the public purposes for which the City exists; and

WHEREAS, the Authority is possessed under the Articles with all powers set forth in the Act 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, at the request of the City, the Authority desires to issue bonds for the purpose of financing the acquisition and construction of city offices and all related improvements (the “2023 Project”), as provided in the Act; and

WHEREAS, in order to (i) finance the 2023 Project and (ii) pay costs of issuance of the Series 2023 Bonds (hereinafter defined), the Authority has determined to issue its Lease Revenue Bonds, Series 2023, in the aggregate principal amount of \$_____ (the “Series 2023 Bonds”); and

WHEREAS, the City is the owner of fee simple title to the site whereon the 2023 Project will be located (the “Project Site”) and has agreed to lease such Project Site to the Authority pursuant to a Ground Lease Agreement dated as of _____, 2023 (the “Ground Lease”); and

WHEREAS, the Series 2023 Bonds will be authorized, issued and secured under the General Indenture, as amended and supplemented by this First Supplemental Indenture (together with the General Indenture, and any amendments thereto or hereto, the “Indenture”); and

WHEREAS, pursuant to a Master Lease Agreement dated as of _____, 2023 (the “Master Lease”), between the Authority and the City, the City, as lessee, has leased the 2023 Project from the Authority, as lessor, on an annually renewable basis; and

WHEREAS, under the provisions of a resolution adopted by the City Council of the City on October 17, 2023 (the “City Resolution”), the City has authorized and approved the execution of the Master Lease and has authorized and approved certain actions to be taken by the Authority in connection with the issuance of the Series 2023 Bonds, including the execution, delivery and performance of the General Indenture and this First Supplemental Indenture; and

WHEREAS, under the provisions of a resolution adopted on October 17, 2023 (the “Authority Resolution”), the Board of Trustees of the Authority (the “Governing Board”) has authorized, approved and directed the execution of the Master Lease, the General Indenture and this First Supplemental Indenture and has authorized and approved certain actions to be taken by the Authority in connection with the issuance of the Series 2023 Bonds hereunder; and

WHEREAS, _____ (the “Underwriter”) has offered to purchase the Series 2023 Bonds in accordance with the terms and conditions of a Purchase Contract dated _____, 2023 (the “Purchase Contract”), by and among the Authority, the City, and the Underwriter; and

WHEREAS, the Authority desires to sell the Series 2023 Bonds to the Underwriter in accordance with the terms and condition of the Purchase Contract; and

WHEREAS, the execution and delivery of the Series 2023 Bonds and of this First Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2023 Bonds, when executed by the Authority and authenticated by the Trustee, the valid and binding legal obligations of the Authority and to make the General Indenture, as amended and supplemented by this First Supplemental Indenture, a valid assignment and pledge of the amounts pledged to the payment of the principal of and premium, if any, and interest on the Series 2023 Bonds and a valid assignment of the rights of the Authority with respect to the 2023 Project under the Master Lease (except the rights of the Authority under Sections 6.3(d), 6.3(j), 13.3 and 14.5 of the Master Lease) have been done and performed.

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

SUPPLEMENTAL INDENTURE; DEFINITIONS

Section 1.1 Supplemental Indenture. This First Supplemental Indenture is supplemental to and is adopted in accordance with and pursuant to Articles II and XI of the General Indenture.

Section 1.2 Uniform Definitions. Unless the context clearly requires otherwise and except as otherwise defined in Section 1.3 hereof, all terms used herein shall have the meanings set forth in Article I of the General Indenture and Article I of this First Supplemental Indenture, and Article I of the Master Lease.

Section 1.3 Amended Definitions. The following definitions contained in Article I of the General Indenture are hereby amended to read as follows:

“Interest Payment Date” means with respect to the Series 2023 Bonds, each _____ and _____, commencing _____, 2023.

Section 1.4 Additional Definitions. Defined terms used in the preambles to this First Supplemental Indenture shall have the meanings given to such terms therein. In addition, for purposes of the General Indenture, this First Supplemental Indenture and the Master Lease, the following terms shall, unless the context clearly requires otherwise, have the meanings as follows:

“Assignment of Ground Lease Agreement” means the agreement dated as of _____, 2023, by and between the Authority and the Trustee.

“Bond Purchase Contract” means the Bond Purchase Contract dated _____, 2023, by and among the Authority, the City and the Underwriter.

“Cede” means Cede & Co. and any substitute nominee of DTC who becomes the registered Bondholder.

“Dated Date” means, with respect to the Series 2023 Bonds, the date of initial issuance and delivery thereof.

“Debt Service Reserve Requirement” means, with respect to the Series 2023 Bonds, [\$0].

“Deed of Trust” means the Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of _____, 2023, by and between the Authority and the Trustee.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York.

“First Supplemental Indenture” means this First Supplemental Indenture dated as of _____, 2023, between the Authority and the Trustee.

“Original Issue Date” means with respect to the Series 2023 Bonds, _____, 2023, the date the Series 2023 Bonds are initially issued.

“Register” means the record of ownership of the Series 2023 Bonds maintained by the Bond Registrar.

“Security Documents” means collectively (i) the Deed of Trust and (ii) the Assignment of Ground Lease Agreement.

“Series 2023 Cost of Issuance Account” means the account established in Section 3.3 herein.

“Series 2023 Bonds” means the Authority’s Lease Revenue Bonds, Series 2023, issued in the aggregate principal amount of \$_____ herein authorized.

“Series 2023 Ground Lease” means the Ground Lease Agreement, dated as of _____, 2023, by and between the City and the Authority pursuant to which the City will lease the site on which the 2023 Project will be constructed.

“2023 Project” means the acquisition and construction of city offices and all related improvements.

“Underwriter” means _____.

ARTICLE II

ISSUANCE OF THE SERIES 2023 BONDS

Section 2.1 Principal Amount, Designation and Series. The Series 2023 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) pay the costs of the 2023 Project and (ii) pay costs of issuance of the Series 2023 Bonds. The Series 2023 Bonds shall be limited to \$_____ in aggregate principal amount, shall be issued in fully registered form, and shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof, and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Series 2023 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, “Local Building Authority of the City of Saratoga Springs, Utah Lease Revenue Bonds, Series 2023.”

Section 2.2 Date, Maturity and Interest Rates. The Series 2023 Bonds shall be dated as of the Dated Date, and shall mature in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Dated Date or unless, as shown by the records of the Trustee, interest on the Series 2023 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Dated Date, payable on each Interest Payment Date at the rates per annum as set forth below:

Maturity
(_____)

Principal Amount

Interest Rate

[* Term Bond]

The interest on Series 2023 Bonds so payable, and punctually paid and duly provided for, on any Interest Payment Date will be paid to the Registered Owner thereof at the close of business on the Regular Record Date for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner of any Series 2023 Bonds on such Regular Record Date, and may be paid to the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten days prior to such Special Record Date. The principal of and premium, if any, on the Series 2023 Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee. Interest shall be paid by check or draft mailed by certified mail on each Interest Payment Date to the Holder of each of the Series 2023 Bonds as the name and address of such Holder appears on the Record Date in the Register. Interest on the Series 2023 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 2.3 Redemption.

(a) [Optional Redemption. The Series 2023 Bonds maturing on or prior to _____, are not subject to redemption prior to maturity. The Series 2023 Bonds maturing on or after _____, are subject to redemption prior to maturity at the option of the Authority in whole or in part on any date on and after _____, and if in part, in such order of maturity as may be directed by the Authority at a redemption price equal to

100% of the principal amount of the Series 2023 Bonds to be redeemed plus accrued interest to the date of redemption.]

(b) [Mandatory Sinking Fund Redemption]. The Series 2023 Bonds maturing on _____, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Date (_____)	Principal <u>Amount</u>
---	----------------------------

* Final maturity date.

(c) The Series 2023 Bonds maturing on _____, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Date (_____)	Principal <u>Amount</u>
---	----------------------------

* Final maturity date.

Upon redemption of any Series 2023 Bonds maturing on _____ or _____, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the related Series 2023 Bonds, in such order as shall be directed by the Authority.]

(d) Extraordinary Redemption. The Series 2023 Bonds shall be callable for redemption prior to maturity in whole on any date, if (i) the 2023 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 2023 Project shall become apparent, or title to or the use of all or any material portion of the 2023 Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds 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 or replacing such portion of the 2023 Project,

and (iii) the City elects to discharge its obligation to repair and replace such portion of the 2023 Project by depositing such Net Proceeds into the Bond Fund, as provided in Section 10.2 of the Master Lease. Upon the deposit of such Net Proceeds in the Bond Fund, the payment obligations of the City with respect to the 2023 Project under the Master Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals thereunder with respect to the 2023 Project, and possession of the 2023 Project, as well as all right, title and interest of the City and the Authority in any funds or accounts created under the Indenture with respect to the 2023 Project shall be surrendered to the Trustee, as trustee for the Bondholders. Thereafter, the Indenture and the Security Documents applicable to the 2023 Project may, subject to the limitations of Article IX of the General Indenture, be foreclosed and the Authority's interest in the 2023 Project liquidated 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 Indenture with respect to the 2023 Project (except moneys held in the Rebate Fund or for the payment of Bonds not then deemed outstanding), shall be applied to the redemption of the Series 2023 Bonds at the earliest date practicable, as specified in a written notice from the Authority to the Trustee. Any such redemption of the Series 2023 Bonds shall be made upon payment of all or a prorated portion of the principal amount thereof plus accrued interest thereon to the redemption date. IN THE EVENT THE SERIES 2023 BONDS ARE TO BE REDEEMED PURSUANT TO THE PROVISIONS OF THIS PARAGRAPH (D), BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF, AND ACCRUED INTEREST TO THE REDEMPTION DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE BONDHOLDERS AGAINST THE AUTHORITY, THE CITY, OR THE TRUSTEE WITH RESPECT TO SAID SERIES 2023 BONDS. In the event there are moneys remaining in the Bond Fund after payment in full of the Series 2023 Bonds, the Trustee is authorized and directed to transfer said moneys to the City.

Section 2.4 Execution of Bonds. The Chair/President is hereby authorized to execute by facsimile or manual signature the Series 2023 Bonds and the Secretary-Treasurer to countersign by facsimile or manual signature the Series 2023 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2023 Bonds a facsimile of the official seal of the Authority, and the Trustee shall manually authenticate the Series 2023 Bonds.

Section 2.5 Delivery of Bonds. Upon the execution and delivery of this First Supplemental Indenture, the Authority shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2023 Bonds deliver the Series 2023 Bonds to the Underwriter thereof as directed by the Authority.

The Series 2023 Bonds issued pursuant to this First Supplemental Indenture shall be equally and ratably secured under the Indenture with all other series of Additional Bonds and Refunding Bonds, if any, issued pursuant to the Indenture, without preference, priority or distinction of any Bonds over any other thereof.

Section 2.6 Limited Obligation. The Series 2023 Bonds, together with interest thereon, shall be special, limited obligations of the Authority as described in the General Indenture.

Section 2.7 Series 2023 Bonds to Remain Tax-Exempt. The Authority covenants and agrees to and for the benefit of the Bondholders that the Authority (i) will not take any action that would cause interest on the Series 2023 Bonds to become includible in gross income for purposes of federal or state income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the Series 2023 Bonds to become includible in gross income for purposes of federal or state income taxation, and (iii) will comply with any other requirements of federal and state tax law applicable to the Series 2023 Bonds in order to preserve the exclusion from gross income, for purposes of federal income taxation, of interest on the Series 2023 Bonds.

Section 2.8 Record of Payment. In the event of a redemption, acceleration, or any other similar transaction necessitating a reduction in aggregate principal amount of any of the Series 2023 Bonds outstanding, a Bondholder shall make an appropriate notation on the Series 2023 Bonds certificate indicating the date and amounts of such reduction in principal, except in the case of final maturity in which case the certificate must be presented to the Paying Agent (or as otherwise provided herein) prior to payment. In the case of a discrepancy between the record of payments on the Series 2023 Bonds and the Bond Registrar's records, the Bond Registrar's records shall govern.

Section 2.9 Book-Entry Only System.

(a) Except as provided in paragraphs (b) and (c) of this Section 2.9, the registered holder of all Series 2023 Bonds shall be, and the Series 2023 Bonds shall be registered in the name of, Cede and Co. ("Cede"), as nominee of The Depository Trust Company, New York, New York (together with any substitute securities depository appointed pursuant to paragraph (c)(iii) of this Section 2.9, ("DTC"). Payment of interest for any Series 2023 Bond, as applicable, shall be made in accordance with the provisions of this Indenture to the account of Cede on the Interest Payment Date for the Series 2023 Bonds at the address indicated for Cede in the registry books of the Trustee.

(b) The Series 2023 Bonds shall be initially issued in the form of a separate registered Bond in the amount of each separate stated maturity of the Series 2023 Bonds. Upon initial issuance, the ownership of each such Series 2023 Bond shall be registered in the registry books of the Authority kept by the Trustee, in the name of Cede, as nominee of DTC. With respect to Series 2023 Bonds so registered in the name of Cede, the Authority, the Trustee and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of any of such Series 2023 Bonds. Without limiting the immediately preceding sentence, the Authority, the Trustee and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series 2023 Bonds; (ii) the delivery of any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2023 Bonds, including any notice of redemption; or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, any of the Series 2023 Bonds. The Authority, the Trustee and any Paying Agent may treat DTC as, and deem DTC to be, the absolute owner of each Series 2023 Bond for all purposes whatsoever, including (but not limited to) (1)

payment of the principal or redemption price of, and interest on, each such Series 2023 Bond, (2) giving notices of redemption and other matters with respect to such Series 2023 Bonds and (3) registering transfers with respect to such Series 2023 Bonds. The Paying Agent shall pay the principal or redemption price of, and interest on, all Series 2023 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to such principal, or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in paragraph (c) of this Section 2.9, no person other than DTC shall receive a Series 2023 Bond evidencing the obligation of the Authority to make payments of principal or redemption price of, and interest on, any such Series 2023 Bond pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this Indenture, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

Except as provided in paragraph (c)(iii) of this Section 2.9, and notwithstanding any other provisions of this Indenture, the Series 2023 Bonds may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

(c) (i) DTC may determine to discontinue providing its services with respect to the Series 2023 Bonds at any time by giving written notice to the Authority, the Trustee and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Series 2023 Bonds under applicable law.

(ii) The Authority, in its sole discretion and without the consent of any other person, may, by notice to the Trustee, terminate the services of DTC with respect to the Series 2023 Bonds if the Authority determines that the continuation of the system of book-entry-only transfers through DTC is not in the best interests of the beneficial owners of the Series 2023 Bonds or the Authority; and the Authority shall, by notice to the Trustee, terminate the services of DTC with respect to the Series 2023 Bonds upon receipt by the Authority, the Trustee, and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Series 2023 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2023 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2023 Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owners of the Series 2023 Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2023 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2023 Bonds pursuant to subsection (c)(i) or subsection (c)(ii)(1) hereof the Authority may within 90 days thereafter appoint a substitute securities depository

which, in the opinion of the Authority, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Series 2023 Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC. In such event, the Authority shall execute and the Trustee shall authenticate Bond certificates as requested by DTC of like principal amount, maturity and series, in authorized denominations to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interest in the Series 2023 Bonds.

(iv) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2023 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Series 2023 Bond and all notices with respect to such Series 2023 Bond shall be made and given, respectively, to DTC as provided in the hereinafter defined Representation Letter of the Authority addressed to DTC and in DTC's operational arrangements.

(v) In connection with any notice or other communication to be provided to Owners of Series 2023 Bonds registered in the name of Cede pursuant to the Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by such Owners, the Authority shall establish a record date for such consent or other action by such Owners and give DTC notice of such record date not less than fifteen (15) days in advance of such record date to the extent possible.

(vi) A blanket Representation Letter (the "Representation Letter") has been executed and delivered by the Authority. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section 2.9 hereof or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Series 2023 Bonds other than the registered owners of the Series 2023 Bonds, as shown on the registration books kept by the Trustee. The Trustee shall take all action necessary for all representations of the Authority and the Trustee in the Representation Letter or any other comparable agreement with a securities depository with respect to the Trustee and in DTC's operational arrangements to at all times be complied with.

ARTICLE III

FUNDS AND ACCOUNTS

Section 3.1 Creation of Series 2023 Accounts. There is hereby established with the Trustee a Series 2023 Bond Account within the Bond Fund, a Series 2023 Account within the Cost of Issuance Account, and a Series 2023 Account within the Construction Fund.

Section 3.2 Disbursement of Series 2023 Bond Proceeds. The Authority shall deposit with the Trustee the proceeds from the sale of the Series 2023 Bonds in the amount of

\$_____, (being the par amount of the Series 2023 Bonds, plus a reoffering premium of \$_____, and less an Underwriter's discount of \$_____), together with the Authority's equity contribution in the amount of \$_____ for a total amount of \$_____ and the Trustee shall transfer and deposit such amounts as follow:

(a) An amount equal to \$_____ shall be deposited into the Series 2023 Construction Fund; and

(b) The remaining amount into the Series 2023 Cost of Issuance Account held by the Trustee to be used to pay costs of issuance of the Series 2023 Bonds.

Section 3.3 Costs of Issuance Account; Payment of Costs of Issuing Series 2023 Bonds. An amount equal to \$_____ of the proceeds of the Series 2023 Bonds shall be deposited into the Series 2023 Cost of Issuance Account. At or about the time of the issuance of the Series 2023 Bonds, the Trustee shall apply the amounts on deposit in the Series 2023 Cost of Issuance Account to pay costs of issuing the Series 2023 Bonds, as instructed in the Cost of Issuance Disbursement in substantially the form of Exhibit B attached hereto to be signed by the Chair/President of the Authority. Any amounts remaining in the Series 2023 Cost of Issuance Account 90 days after the delivery of the Series 2023 Bonds shall be transferred to the Series 2023 Account of the Construction Fund and applied to the uses therein authorized.

Section 3.4 Debt Service Reserve Requirement. The Debt Service Reserve Requirement with respect to the Series 2023 Bonds shall be [\$0].

Section 3.5 Deposit to and Use of Series 2023 Account of Construction Fund. The balance of the proceeds of the Series 2023 Bonds remaining after depositing \$_____ to the Series 2023 Cost of Issuance Account for payment of certain costs of issuance of the Series 2023 Bonds as contemplated by Section 3.3 of this First Supplemental Indenture, shall be deposited into the Series 2023 Account in the Construction Fund. The amount on deposit in the Series 2023 Account of the Construction Fund shall be disbursed by the Trustee for the purpose for which the Series 2023 Bonds were issued in accordance with the provisions of the Master Lease and the Indenture, [provided, however, that interest on the Series 2023 Bonds through the _____ Interest Payment Date shall be paid as capitalized interest from amounts deposited to the Series 2023 Subaccount of the Construction Fund without any further direction from the Issuer.] Upon completion of the 2023 Project, as evidenced by delivery of a completion certificate, amounts remaining on deposit in the Series 2023 Account of the Construction Fund shall be applied to the redemption of Series 2023 Bonds as soon as practicable.

No amounts shall be disbursed from the Series 2023 Account of the Construction Fund for payment of Contractors with respect to the 2023 Project until the applicable requirements of the Master Lease and the Indenture have been met and reasonable evidence of the same (including the insurance requirements in Article VII and Article IX of the Master Lease) has been delivered to the Trustee.

Section 3.6 Series 2023 Bonds as Initial Bonds. The Series 2023 Bonds are issued as the Initial Bonds under the Indenture. The Authority hereby certifies that the requirements set forth

herein and in Section 2.4 of the General Indenture have been and will be complied with in connection with the issuance of the Series 2023 Bonds.

ARTICLE IV

CONFIRMATION OF GENERAL INDENTURE

Section 4.1 Confirmation of General Indenture. As modified and supplemented by this First Supplemental Indenture, the General Indenture is in all things and respects hereby ratified and confirmed. The provisions of the General Indenture shall apply to this First Supplemental Indenture to the extent that such provisions have not been deleted or modified by or are not inconsistent with the specific provisions of this First Supplemental Indenture.

ARTICLE V

MISCELLANEOUS

Section 5.1 Confirmation of Sale of Series 2023 Bonds. The sale of the Series 2023 Bonds to the Underwriter at a price of \$_____ is hereby ratified, confirmed and approved.

Section 5.2 Illegal, etc. Provisions Disregarded. In case any provision in this First Supplemental Indenture shall for any reason be held invalid, illegal, or unenforceable in any respect, this First Supplemental Indenture shall be construed as if such provision had never been contained herein.

Section 5.3 Applicable Law. This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Utah.

Section 5.4 Headings for Convenience Only. The descriptive headings in this First Supplemental Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 5.5 Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when so executed and delivered, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its corporate name and with its official seal hereunto affixed and attested by its duly authorized officers, and to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be executed in its corporate name with its corporate seal hereunto affixed all by its duly authorized officers, as of the date first above written.

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH

By: _____
Chair/President

(SEAL)

ATTEST AND COUNTERSIGN:

By: _____
Secretary-Treasurer

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____
Title Vice President

EXHIBIT A

FORM OF SERIES 2023 BONDS

Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Authority or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF UTAH
LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH
LEASE REVENUE BOND, SERIES 2023

REGISTERED
NUMBER R-1

REGISTERED
\$ _____

Interest Rate

Maturity Date

Original Issue Date
, 2023

CUSIP

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS****

The Local Building Authority of the City of Saratoga Springs, Utah, a nonprofit corporation duly organized and existing under the laws of the State of Utah (the "Authority"), performing essential governmental functions on behalf of the City of Saratoga Springs, Utah, a body corporate and politic of the State of Utah (the "City") 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, on the Maturity Date specified above, the Principal Amount specified above, and in like manner to pay interest on said amount at the Interest Rate specified above (calculated on the basis of a 360-day year consisting of twelve 30-day months), payable on _____ and _____ of each year (each an "Interest Payment Date") commencing _____, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto. Principal payments due to mandatory sinking fund redemption may be noted on the Record of Principal Payments attached hereto and upon signature of an authorized officer of the Registered Owner, the principal amount of this Bond shall be reduced by the payment of principal thereof on the dates and amounts indicated on such Record of Principal Payments without the surrender of the Bond to the Paying Agent. Interest on this Bond shall be payable by wire transfer to an account located in the United States or check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to

the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when wired or mailed by certified mail. Both principal and interest shall be payable in lawful money of the United States of America designated by the Registered Owner in written instructions furnished to the Trustee.

The Series 2023 Bonds (hereinafter defined) are dated as of the Original Issue Date shown above. Interest on the Series 2023 Bonds authenticated prior to the first Interest Payment Date shall accrue from and including the Original Issue Date. Interest on the Series 2023 Bonds authenticated on or subsequent to the first Interest Payment Date shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date, from that date.

This Bond is one of an authorized issue of Lease Revenue Bonds, Series 2023, of the Authority limited in aggregate principal amount to \$_____ (the “Series 2023 Bonds”) issued to (a) financing the acquisition and construction of city offices and all related improvements (the “2023 Project”) (b) [funding capitalized interest] and (c) pay costs of issuance of the Series 2023 Bonds. The 2023 Project has been leased by the Authority to the City under the terms of a Master Lease Agreement dated as of _____, 2023 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the “Master Lease”). The obligation of the City to make lease payments under the Master Lease is subject to the annual renewal of the Master Lease and to the right of the City to terminate its payment obligations with respect to the 2023 Project under the Master Lease in the event that the City fails to appropriate moneys to pay such rentals. In the event that the City’s payment obligations under the Master Lease shall be terminated by reason of a failure to appropriate (referred to herein as “Event of Nonappropriation”) or by reason of an Event of Default (as defined in the Master 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 Indenture for such purpose, including any moneys received by the Trustee from a liquidation or other disposition of the Authority’s interest in the 2023 Project including a foreclosure of the lien of the Indenture (hereinafter defined) and the Security Documents (as defined in the Indenture), subject to the limitations contained in the Indenture. Under certain circumstances, this Series 2023 Bond and the interest hereon may also be payable from Net Proceeds (as defined in the Master Lease) of insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the 2023 Project.

The Series 2023 Bonds are issued pursuant to the authority contained in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (collectively, the “Act”), and under and are equally and ratably secured by and entitled to the protection of a General Indenture of Trust dated as of _____, 2023 (the “General Indenture”) and a First Supplemental Indenture of Trust dated as of _____, 2023 (the “First Supplemental Indenture,” and together with the General Indenture, the “Indenture”), each by and between the Authority and the Trustee, duly executed and delivered by the Authority to the Trustee and pursuant to which the Base Rentals (as defined in the Master Lease) payable by the City, under the Master Lease and, if paid by the City, the Purchase Option Price (as defined in the Master Lease), are assigned to the Trustee to secure the payment of principal of, premium, if any, and interest on the Series 2023 Bonds. Additionally, the Authority has granted a security interest in the

2023 Project, pursuant to certain Security Documents to the Trustee to further secure its obligations under the Indenture.

The Indenture provides that, upon the conditions and restrictions therein, the Authority may hereafter issue Refunding Bonds or Additional Bonds (each as defined in the Indenture) from time to time to finance or refinance the costs of the 2023 Project or other facilities and improvements under certain terms and conditions contained in the Indenture and in the Master Lease and, if issued, the Refunding Bonds and/or the Additional Bonds will rank *pari passu* with the Series 2023 Bonds then Outstanding (as defined in the Indenture) and be equally and ratably secured and entitled to the protection of the Indenture and the Security Documents (the Series 2023 Bonds, the Refunding Bonds and the Additional Bonds are collectively referred to herein as the “Bonds”). Reference is hereby made to the Master Lease, the Security Documents and the Indenture 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, the Trustee and the holders of the Series 2023 Bonds, the issuance of Refunding Bonds or Additional Bonds, 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 Trustee, the Net Proceeds of certain insurance policies, performance bonds and condemnation awards or the proceeds, if any, from a liquidation or other disposition of the Authority’s interest in the 2023 Project subsequent to foreclosure of the lien of the Indenture 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 Master Lease. Payments under the Master Lease may be made only from City Funds (as defined in the Master Lease) which are legally available for such purpose.

Neither the Master 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 its general credit or the 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 Master 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 MASTER 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 MASTER LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE CITY’S PAYMENT OBLIGATIONS UNDER THE MASTER LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF DEFAULT. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE MASTER 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 TRUSTEE UNDER THE INDENTURE AND ANY MONEYS MADE AVAILABLE FROM A LIQUIDATION OR OTHER DISPOSITION OF THE AUTHORITY'S INTEREST IN THE 2023 PROJECT SUBSEQUENT TO FORECLOSURE OF THE LIEN OF THE INDENTURE AND THE SECURITY DOCUMENTS, SUBJECT TO THE LIMITATIONS SET FORTH IN THE INDENTURE. A BONDHOLDER SHOULD NOT ANTICIPATE THAT IT WILL BE POSSIBLE TO FORECLOSE THE AUTHORITY'S INTEREST IN THE 2023 PROJECT AND LIQUIDATE, RELET OR SELL SUCH INTEREST AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT FOR AN AMOUNT EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT OF THE SERIES 2023 BONDS THEN OUTSTANDING PLUS ACCRUED INTEREST THEREON.

No deficiency judgment upon foreclosure may be entered against the City or the Authority and no breach of any provision of the Master Lease, the Security Documents, the Series 2023 Bonds or the Indenture shall impose any general obligation or liability upon or a charge against the City, the Authority, or the general credit or taxing powers of the City.

This Series 2023 Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal corporate trust office of the Trustee in Salt Lake City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2023 Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Authority, the Paying Agent and the Trustee 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, the Paying Agent and the Trustee shall not be affected by any notice to the contrary.

The Series 2023 Bonds are subject to redemption prior to maturity at the times, upon the occurrence of the events and with notice all as found in the Indenture.

In the event of a redemption, acceleration, or any other similar transaction necessitating a reduction in aggregate principal amount of the Series 2023 Bonds, including any mandatory sinking fund redemption, a Bondholder shall make an appropriate notation on the Series 2023 Bonds certificate indicating the date and amounts of such reduction in principal, except in the case of final maturity in which case the certificate must be presented to the Paying Agent prior to payment. In the case of a discrepancy between the record of payments on the Series 2023 Bonds and the Bond Registrar's records, the Bond Registrar's records shall govern.

The Registered Owner of this Series 2023 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Master Lease or any Event of Default under the Indenture or the Security Documents, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

The Indenture 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 Default does not then exist under the Master Lease) and the Registered Owners of not less than 66 2/3% in aggregate principal amount of the Series 2023 Bonds at the time Outstanding. The Indenture also permits waiver of compliance by the Authority with any terms of the Indenture with the consent of the City (if an Event of Default does not then exist under the Master Lease) and the Registered Owners of not less than 66 2/3% 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 Bond shall be conclusive and binding upon such Owner and upon all future holders of this Series 2023 Bond and of any 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 Indenture also contains provisions permitting the Trustee to waive certain Events of Default under the Indenture and their consequences. The Indenture requires the written consent of the Trustee to any waiver or amendment of any provision of the Indenture or any supplemental indenture which modifies the rights, duties or immunities of the Trustee.

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 Indenture 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 and the issue of which it forms a part, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory debt limitation. As required by the Act, the City has by resolution authorized the Authority to issue the Series 2023 Bonds and to execute and deliver the Master Lease, the Security Documents and the Indenture.

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

IN WITNESS WHEREOF, the Authority has caused this Series 2023 Bond to be executed in its name by the facsimile or manual signature of its Chair/President and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of its Secretary-Treasurer, and said officials do by the execution hereof adopt as and for the respective proper signatures their respective facsimile or manual signatures appearing hereon.

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Chair/President

ATTEST AND COUNTERSIGN:

By: _____
Secretary-Treasurer

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2023 Bonds of the issue described in the within-mentioned First Supplemental Indenture of Trust.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Officer

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

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: _____

Signature _____

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

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” that is a member of or a participant in a “signature guarantee program” (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

Zions Bancorporation, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

Pursuant to Section 3.3 of the First Supplemental Indenture of Trust dated as of _____, 2023, you are hereby authorized to pay to the following costs of issuance from the Series 2023 Costs of Issuance Account:

[See Attached Schedule]

LOCAL BUILDING AUTHORITY OF THE CITY
OF SARATOGA SPRINGS, UTAH

By: _____
Chair/President

COSTS OF ISSUANCE

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
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EXHIBIT C

MASTER LEASE AGREEMENT

MASTER LEASE AGREEMENT

Dated as of _____, 2023

between

LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH,
as Lessor

A Nonprofit Corporation Organized Under the Laws of the State of Utah

and

CITY OF SARATOGA SPRINGS, UTAH
as Lessee

A Body Politic Existing Within the State of Utah

Various interests of the Local Building Authority of the City of Saratoga Springs, Utah, in this Master Lease Agreement have been assigned to Zions Bancorporation, National Association, as Trustee under the General Indenture of Trust, as amended and supplemented by a First Supplemental Indenture of Trust, each dated as of the date hereof and by and between the Local Building Authority of the City of Saratoga Springs, Utah, and Zions Bancorporation, National Association, as Trustee, and is subject to the security interest of Zions Bancorporation, National Association, as Trustee under said Indenture.

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	3
ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES	8
Section 2.1. Representations, Covenants and Warranties of the City.....	8
Section 2.2. Representations, Covenants and Warranties of the Authority.	9
ARTICLE III DEMISING CLAUSE.....	10
ARTICLE IV LEASE TERM.....	11
Section 4.1. Commencement of Lease Term.	11
Section 4.2. Termination of Lease Term.	12
Section 4.3. Effect on the City of Expiration or Termination of the Term of this Master Lease.	13
Section 4.4. Revised Schedule of Base Rentals and Option Price.....	13
ARTICLE V ENJOYMENT OF PROJECTS.....	13
ARTICLE VI PAYMENTS BY THE CITY	14
Section 6.1. Payments to Constitute Current Expenses of the City.	14
Section 6.2. Payment of Base Rentals.	14
Section 6.3. Payment of Additional Rentals with Respect to the Projects.	16
Section 6.4. Manner of Payment.....	18
Section 6.5. Expression of Need for the Project by the City; Determination of Purchase Price.....	18
Section 6.6. Nonappropriation.	18
Section 6.7. Application of Base Rentals, Additional Rentals and Purchase Option Price.	19
Section 6.8. Request for Appropriation.	19
ARTICLE VII ACQUISITION AND CONSTRUCTION OF PROJECTS.....	20
Section 7.1. Agreement to Acquire and Construct the Projects.....	20
Section 7.2. Application of Proceeds of Series 2023 Bonds.....	21
Section 7.3. Disbursements from the Construction Fund.	21
Section 7.4. Establishment of Completion Date; Disbursement of Balance of Construction Fund.....	21
Section 7.5. Investment of Construction Fund, Bond Fund, Rebate Fund and Debt Service Reserve Fund Moneys.....	21
Section 7.6. Design Contracts and Construction Contracts.	22
Section 7.7. Defaults Under Design Contracts or Construction Contracts.	22
Section 7.8. Contractor's Performance and Payment Bonds.	23
Section 7.9. Contractor's General Public Liability and Property Damage Insurance. ..	23
Section 7.10. Contractor's Builder's Risk Completed Value Insurance.....	23

Section 7.11. Contractor’s Worker’s Compensation Insurance.....	24
Section 7.12. Proceeds of Certain Insurance Policies and Performance Bonds.	24
ARTICLE VIII TITLE TO THE PROJECTS; SECURITY INTEREST	24
Section 8.1. Title to the Projects.	24
Section 8.2. Security Interest.	24
ARTICLE IX MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES ...	24
Section 9.1. Maintenance of the Projects by the City.....	24
Section 9.2. Modification of the Projects.....	25
Section 9.3. Taxes; Other Governmental Charges and Utility Charges	26
Section 9.4. Provisions Respecting Insurance	27
Section 9.5. Public Liability Insurance	27
Section 9.6. Worker’s Compensation Coverage	28
Section 9.7. Advances.....	28
Section 9.8. Failure to Provide Insurance.	28
ARTICLE X DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS	28
Section 10.1. Damage. Destruction and Condemnation.	28
Section 10.2. Obligation of the City to Repair and Replace a Project.....	29
Section 10.3. Covenant to Seek Appropriation of Insufficiency of Net Proceeds; Discharge of the Obligation of the City to Repair and Replace the Projects.....	29
Section 10.4. Cooperation of the Authority and the Trustee.	30
Section 10.5. Condemnation of Property Owned by the City.....	30
ARTICLE XI DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; OTHER COVENANTS	30
Section 11.1. Disclaimer or Warranties.	30
Section 11.2. Further Assurances and Corrective Instruments.	31
Section 11.3. City and Authority Representatives.	31
Section 11.4. Requirements of Law.	31
Section 11.5. Inspection of the Projects.....	31
Section 11.6. Granting of Easements and Releases.	31
Section 11.7. Issuance of Refunding Bonds.	31
Section 11.8. Issuance of Additional Bonds.	32
ARTICLE XII CONVEYANCE OF THE PROJECTS.....	32
Section 12.1. Conveyance of the Projects.....	32
Section 12.2. Release of a Project Upon Payment of Related Series of Bonds.....	33
Section 12.3. Conveyance on Purchase of Projects.	33
Section 12.4. Relative Position of Option and Indenture.....	33

ARTICLE XIII ASSIGNMENT, SUBLEASING, INDEMNIFICATION AND SELLING34

Section 13.1. The Authority to Grant Security Interest to Trustee.	34
Section 13.2. Assignment and Subleasing by the City.	34
Section 13.3. Release and Indemnification Covenants.	35
Section 13.4. References to Bonds Ineffective After Bonds Paid.	35
Section 13.5. Installation of the Furnishings and Machinery of the City.	35
Section 13.6. Equipment Purchased with Proceeds of the Bonds.....	35

ARTICLE XIV EVENTS OF DEFAULT AND REMEDIES 36

Section 14.1. Events of Default Defined.	36
Section 14.2. Remedies on Default.....	37
Section 14.3. Limitations on Remedies.	37
Section 14.4. No Remedy Exclusive.....	37
Section 14.5. Agreement to Pay Attorneys’ Fees and Expenses.	37
Section 14.6. No Additional Waiver Implied by One Waiver.....	38

ARTICLE XV MISCELLANEOUS.....38

Section 15.1. Lease Term.....	38
Section 15.2. Notices.	38
Section 15.3. Binding Effect.	38
Section 15.4. Severability.	38
Section 15.5. Amounts Remaining in the Bond Fund and Debt Service Reserve Fund; Dissolution.	38
Section 15.6. Amendments, Changes and Modifications.	39
Section 15.7. Execution in Counterparts.....	39
Section 15.8. Net Lease.	39
Section 15.9. Applicable Law.	39
Section 15.10. Captions.	39
Section 15.11. No Personal Liability.	39

EXHIBIT A PROJECT DESCRIPTION..... A-1

EXHIBIT B PROJECT SITE.....B-1

EXHIBIT C FORM OF REQUISITION C-1

EXHIBIT D BASE RENTAL PAYMENT SCHEDULE D-1

MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT (the “Master Lease”) dated as of _____, 2023, entered into by and between the LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH (the “Authority”), as lessor hereunder, a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Utah, and also acting as grantor under a General Indenture of Trust of even date herewith (the “General Indenture”), and THE CITY OF SARATOGA SPRINGS, UTAH (the “City”), as lessee hereunder, a body corporate duly existing as such within the State under the Constitution and laws of the State of Utah:

W I T N E S S E T H:

WHEREAS, the City is a body politic duly existing as such within the State under the Constitution and laws of the State; and

WHEREAS, the City has previously authorized and directed the creation of the Authority pursuant to the provisions of a resolution (the “Creating Resolution”) by the City; and

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

WHEREAS, under the articles of incorporation of the Authority (the “Articles”) and the Building Authority Act, the objects and purposes for which the Authority has been founded and incorporated are to acquire, construct, improve or extend any improvements, facilities or properties (whether real or personal) and appurtenances to them which the City is authorized or permitted by law to acquire, including, but not limited to, public buildings or other structures of every nature or any joint or partial interest in the same, which improvements, facilities, properties and appurtenances need not be situated within the boundaries of the City (collectively, the “Projects”) and to finance or refinance the costs thereof on behalf of the City in accordance with the procedures and subject to the limitations of the Building Authority Act, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the “Act”) in order to accomplish the public purposes for which the City exists; and

WHEREAS, the Authority is possessed under the Articles and the Act of all powers set forth in the Act, 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 desires to issue its Lease Revenue Bonds, Series 2023, in the aggregate principal amount of \$_____ (the “Series 2023 Bonds”) to (a) finance the

acquisition and construction of city offices and all related improvements (the “2023 Project”) and (b) pay costs associated with the issuance of the Series 2023 Bonds; and

WHEREAS, the City has reviewed and approved (i) the estimated costs of the 2023 Project and (ii) the plans and specifications for the 2023 Project; and

WHEREAS, the City is the owner of the fee simple title to the site wherein the 2023 Project will be located (the “Project Site”) and has agreed to lease the Project Site to the Authority pursuant to a Ground Lease Agreement dated as of _____, 2023 (the “Ground Lease”); and

WHEREAS, the City desires to lease, as lessee, on an annually renewable basis, the 2023 Project and any other Projects hereafter acquired by the Authority for lease to the City and the Authority desires to lease, as lessor, the 2023 Project and any other Projects hereafter acquired under the terms and provisions set forth in this Master Lease; and

WHEREAS, under the provisions of a resolution adopted on October 17, 2023 (the “City Resolution”), the City has authorized and approved the execution of this Master Lease, the General Indenture and a First Supplemental Indenture of Trust of even date herewith (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”) between the Authority and Zions Bancorporation, National Association, as trustee, and the issuance of the Series 2023 Bonds; and

WHEREAS, pursuant to the provisions of a resolution adopted on October 17, 2023 (the “Authority Resolution”), the governing board of the Authority (the “Governing Board”) has authorized, approved and directed the execution of this Master Lease and the Indenture and the issuance of the Series 2023 Bonds; and

WHEREAS, pursuant to and in accordance with the provisions of the Act and the Articles, the Authority proposes to undertake the financing or refinancing of Projects (including the financing of the Project) and the leasing of such Projects to the City under the terms and provisions of this Master Lease; and

WHEREAS, the Authority may finance or refinance all or a portion of the Costs of Acquisition and Construction (defined herein) of other Projects through the issuance of its Bonds under the General Indenture; and

WHEREAS, all Bonds issued under the General Indenture will be secured as provided in the General Indenture including by means of the Security Documents and a pledge and assignment of this Master Lease and certain revenues and receipts derived by the Authority from the Projects, all as more fully set forth in the Indenture.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

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

“Act” means collectively, the Building Authority Act, the Local Government Bonding Act, the Nonprofit Corporation Act and, to the extent applicable, the Refunding Bond Act.

“Additional Rentals” means the cost of all taxes, insurance premiums and expenses payable by, and fees and expenses of, the Trustee and its counsel 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 Master 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, including all Security Instrument Repayment Obligations, Security Instrument Costs, Reserve Instrument Repayment Obligations and Reserve Instrument Costs.

“Amendment to Master Lease” means any amendment to this Master Lease between the Authority, as lessor, and the City, as lessee, entered into pursuant to and in compliance with the provisions of Section 15.6 of this Master Lease and Article XII of the General Indenture.

“Authority” means the Local Building Authority of the City of Saratoga Springs, Utah, a nonprofit corporation organized under the laws of the State, acting in the capacity of lessor under this Master Lease and as grantor under the Indenture, and any successor to the duties and functions of the Authority.

“Authority Representative” means the Chair/President, Secretary-Treasurer and any other person or persons at any time designated to act on behalf of the Authority for purposes of performing any act on behalf of the Authority with respect to a Project by a written certificate furnished to the City and the Trustee 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 the City.

“Base Rentals” means the payments payable by the City exclusively from City Funds pursuant to Section 6.2 hereof during the Lease Term hereof, which constitute the payments payable by the City for and in consideration of the right of use of the Projects during such Lease Term and the purchase option granted herein.

“Building Authority Act” means the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended.

“Business Day” means a legal business day on which banking business is transacted in the cities in which the Trustee or Paying Agent has its principal corporate trust offices.

“City” means the City of Saratoga Springs, Utah, a body politic duly established and existing under and by virtue of the Constitution and laws of the State, and any entity succeeding to its rights and obligations under this Master Lease. Any reference herein to the “governing body” of the City shall refer to the City Council of the City and to any successor governing body as authorized by applicable law.

“City Funds” means all revenues and receipts derived by the City from the operation of the Projects, including, without limitation, funds of the City legally available therefor, all 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 Lease Term in which this Master Lease may be in effect.

“City Representative” means the Mayor, City Manager and City Recorder of the City and any other person at any time designated to act on behalf of the City for purposes of performing any act with respect to a Project by a written certificate furnished to the Authority and the Trustee containing the specimen signature of such person and signed on behalf of the City 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 or the City.

“Completion Date” means the date of completion of acquisition and/or construction of a Project, within the meaning of Section 17D-2-401(2) of the Building Authority Act, and of final acceptance by the City of such Project.

“Construction Contract” means any contract or agreement relating to the acquisition, development or construction of a Project or portion thereof.

“Contractor” means that party to a Construction Contract or Design Contract providing services related to a Project or portion thereof.

“Costs of Acquisition and Construction” means:

- (1) obligations of the City or the Authority incurred for labor, materials and equipment in connection with a Project or the cost of acquiring a Project;
- (2) the cost of payment, performance or other bonds and any and all types of insurance (including but not limited to title insurance) that may be necessary or appropriate to have in effect during the course of a Project;
- (3) all costs of planning and designing a Project, including architectural, planning, engineering, legal and fiscal advisors’ fees and the costs incurred by the City or the Authority for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper and timely completion of such Project;

(4) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the acquisition and construction of a Project;

(5) the cost of equipment and furnishings for a Project, the cost of acquiring a site for a Project (or any interest therein) and all other costs authorized by the Building Authority Act which are considered to be a part of the costs of a Project in accordance with generally accepted accounting principles, including but not limited to interest accruing on the Bonds during the period required to complete the acquisition and construction of such Project and for not more than twelve (12) months after the Completion Date;

(6) any sums required to reimburse the Authority or the City for advances by either of them for any of the above items or for any other costs incurred and for work done by either of them which are properly chargeable to a capital account in respect of a Project;

(7) such amounts as the governing body of the Authority shall find to be necessary to provide necessary working capital in connection with a Project; and

(8) all expenses connected with the authorization, sale and issuance of a series of Bonds and the refunding of any Bonds, including the initial fees of the Trustee, escrow agent, rating agency fees, bond insurance premiums, fees for outside attorneys or accountants, whose opinions are required to obtain the issuance of the Bonds, municipal 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 a Project.

“Design Contract” means any contract or agreement relating to the architecture, design, engineering or planning of a Project or portion thereof.

“Event of Default” means one or more events of default as defined in Section 14.1 herein.

“Event of Nonappropriation” means a failure by the City to renew this Master Lease by failing or refusing 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 4.1 and Section 6.6 hereof. The existence or nonexistence of an Event of Nonappropriation shall be determined as of the date on which the governing body of the City fails or refuses to adopt a final budget in accordance with applicable law which appropriates sufficient moneys to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term as contemplated by Section 4.1 hereof or on any earlier or later date on which the Trustee receives written notice from the City that the governing body of the City has failed or refused to make such appropriations and the term of this Master Lease will not be renewed; provided, however, that the Trustee, with the consent of any Security Instrument Issuer, may waive any Event of Nonappropriation which is cured by the City within a reasonable time if, in the Trustee's judgment, such waiver is in the best interests of the Bondholders, except as otherwise provided in Section 4.1 hereof or as otherwise provided by Supplemental Indenture. Notwithstanding anything herein to the contrary, the City's failure or refusal to adopt a final budget in accordance with applicable law

within the time provided by Section 4.1 hereof which appropriates sufficient moneys to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term shall constitute an Event of Nonappropriation.

“Fiscal Year” means the twelve-month period used from time to time by the City for its financial accounting purposes (currently July 1 to June 30).

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies and terrorists; orders 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.

“Ground Lease” means the Ground Lease Agreement dated as of _____, 2023, by and between the City and the Authority.

“Ground Lease Term” means the duration of the leasehold estate created in the Project Site as provided in Article IV of the Ground Lease.

“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, the City or the Trustee.

“Lease Term” means the duration of the leasehold estate created in the Projects as provided in Article IV of this Master Lease.

“Local Government Bonding Act” means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended.

“Net Proceeds,” when used with respect to (i) proceeds from policies of insurance required hereby (including any self-insurance), (ii) any condemnation award, (iii) proceeds resulting from a default under a contract relating to the acquisition and construction of a Project (including liquidated damages, if any), or (iv) the proceeds of any liquidation of all or portions of a 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.

“Nonprofit Corporation Act” means the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended.

“Original Term” means the initial portion of the Lease Term which terminates on June 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 Master Lease, permit to remain unpaid; (ii) this Master Lease, including any security

interests granted herein or therein; (iii) utility access and other easements and rights of way, restrictions and exceptions which the City Representative and the Authority Representative certify in writing to the Trustee will not interfere with the operation of the Projects or impair the marketability of title to the Projects or the general security provided for the Bondholders of the Bonds; (iv) the Indenture, the Security Documents and related financing statements; (v) the ownership interests of the City in any real or personal property which is the subject of any lease between the City, as lessor and the Authority, as lessee that is entered into in furtherance of any Project; (vi) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question; (vii) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Projects and as do not materially impair the operation or marketability of title to the Projects; and (viii) any items contained in a Title Insurance Policy delivered in accordance with Sections 2.4, 2.13 or 2.14 of the General Indenture.

"Project or Projects" has the meaning ascribed to that term in the Indenture and includes the 2023 Project.

"Project Site" means the real property, as more fully described in Exhibit B hereof, where the Project is to be constructed.

"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 Master Lease with respect to a Project and purchasing the Authority's interest in such Project, which amount, when added to the amounts then on deposit in the Bond Fund and the subaccount within the Debt Service Reserve Fund with respect to such Project (other than moneys held by the Trustee for the payment of the Bonds under the Indenture not deemed Outstanding), shall be sufficient (i) to pay, defease, retire and/or redeem all the Outstanding Bonds of the Series of Bonds issued to finance or refinance the particular Project in accordance with the provisions of the Indenture (including, without limiting the generality of the foregoing, the principal of and interest to maturity or earliest applicable redemption date of the relevant Bonds and premium, if any, thereon, the expenses of defeasance and/or redemption, including escrow agent fees, if any, and fee and expenses of the City, the Authority and the Trustee and all Security Instrument Costs, Security Instrument Repayment Obligations, Reserve Instrument Costs and Reserve Instrument Repayment Obligations); (ii) in case of redemption, to make arrangements satisfactory to the Trustee for the giving of the required notice of redemption; and (iii) to make any necessary payment of rebate with respect to any Bonds to be paid, defeased, retired and/or redeemed.

"Refunding Bond Act" means the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended.

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

"Rentals" means all Base Rentals and Additional Rentals payable during the Lease Term under this Master Lease.

“Series 2023 Bonds” means the Authority’s Lease Revenue Bonds, Series 2023, issued in an aggregate principal amount of \$_____ herein authorized.

“2023 Project” means, collectively, the acquisition and construction of city offices and all related improvements (as more fully described in Exhibit A hereto).

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) The City is a body corporate 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 Master Lease and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this Master 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 Master Lease leased the Project and may pursuant to this Master Lease lease other Projects to the City as hereinafter provided. It is understood by the parties hereto that the Authority has 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 purposes which are within and consistent with the legal rights, powers and authority 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 Section 2.1(a) hereof. Neither the execution and delivery of this Master Lease nor the issuance and sale by the Authority of its Bonds, nor the performance by the City of its obligations under this Master 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 or 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 ability of the City to perform its obligations under this Master Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the City of this Master Lease or in connection with the carrying out by the City of its obligations under this Master Lease have been obtained.

(f) The Project constitutes a “project” within the meaning of the Building Authority Act.

(g) The acquisition and construction of the Project will be accomplished in accordance with all applicable laws and the construction and financing of the Project 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) To the extent allowed by law, if an Event of Nonappropriation has occurred, the City shall not purchase, lease or rent substantially equivalent buildings or building space for the City's or Authority's use for functions that are substantially the same as those functions the 2023 Project has been used for until all of the principal and interest on the Series 2023 Bonds has been paid in full.

(i) No voter approval was sought on the question of whether general obligation bonds of the City should be issued to finance the Project.

Section 2.2. Representations, Covenants and Warranties of the Authority. The Authority represents, covenants, and warrants for the benefit of the City and the Trustee 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 of incorporation or its bylaws, has the corporate power and authority to enter into this Master Lease and has duly authorized and approved the execution and delivery of this Master Lease by proper corporate action.

(a) The Authority agrees that, so long as this Master 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 Master Lease (or similar leases), and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

(b) The Authority will cause the Project to be acquired and constructed (subject to Permitted Encumbrances) and will complete or cause to be completed the acquisition and construction of the Project in accordance with the plans and specifications therefor. The Authority will lease 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) The Authority will not pledge the Base Rentals, the Additional Rentals, Purchase Option Price or any of its other rights under this Master Lease and will not assign its interest in or encumber the Project except as provided hereunder or under the Indenture and the Security Documents. All property and moneys received by the Authority from the City will, so long as no Event of Nonappropriation or no Event of Default shall occur, be applied for the benefit of the City, and all property and moneys received by the Authority under this Master Lease with respect to the Project and under the Indenture for the Bondholders of the Bonds will be applied for the proportionate benefit of said Bondholders.

(d) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions 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.

(e) Except as otherwise provided in this Master Lease, the Indenture and the Security Documents, the Authority will not assign this Master Lease, its rights to payments from the City or its duties and obligations under this Master Lease to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(f) The Authority will not use any of the proceeds of the sale of the Series 2023 Bonds in a manner not authorized by the terms of this Master Lease, the Indenture or the exhibits hereto and thereto.

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

(h) The Authority gave notice of its intent to issue the Series 2023 Bonds and no petition meeting the requirements of Section 17D-2-602 or 17D-2-502 of the Building Authority Act was submitted during the 30-day period following posting of such notice. The Authority gave notice of a public hearing and held such public hearing with respect to the issuance of the Series 2023 Bonds all in accordance with the provisions of Section 11-14-318 of the Act.

ARTICLE III

DEMISING CLAUSE

The Authority hereby demises and leases the Project, and the City leases the same from the Authority, subject only to Permitted Encumbrances in accordance with the provisions of this Master Lease, to have and to hold under this Master Lease unless sooner terminated as expressly provided herein. Nothing in this Master 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 any or all of the Project or any portion thereof as provided in Article XII of this Master Lease.

The Trustee shall be empowered, after an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under this Master Lease, the Indenture or the Security Documents, 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, 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.

The Authority warrants and covenants that it will acquire the Projects for the exclusive use of the City (subject to the occurrence of an Event of Default or an Event of Nonappropriation), subject to Permitted Encumbrances. The Authority will cause to be furnished to the Trustee a commitment for title insurance policy which meets the requirements of Section 2.4 of the General Indenture.

ARTICLE IV

LEASE TERM

Section 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 June 30, 2024. The Lease Term may be continued, solely at the option of the City, beyond the expiration of the Original Term for an additional one year, (the first “Renewal Term”) and for additional Renewal Terms thereafter each of one year in duration (except that the final Renewal Term shall commence _____ and end on ____ ____), upon the City having adopted a final budget in accordance with applicable law prior to the end of the then-current Original Term or Renewal Term, as the case may be, that appropriates specifically with respect to this Master Lease 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 Building Authority Act. 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 shall be as otherwise specified in Exhibit D attached hereto, for each such Renewal Term, as such Schedule may be revised as provided in Section 6.2 hereof.

Within five (5) days after the adoption of such final budget, the City shall deliver written notice to the Trustee stating that the City has extended the term of this Master Lease for the succeeding Renewal Term, describing in reasonable detail the actions taken by the governing body of the City (if such actions are then required to pay any Rentals hereunder or, if no such actions are then required, explaining the reasons therefor) to appropriate funds sufficient for the purpose of paying the Base Rentals and reasonably estimated Additional Rentals (as provided in Sections 6.2 and 6.3 hereof) to become due during such succeeding Renewal Term. Unless the Trustee shall have previously received the foregoing notice applicable to the next succeeding Renewal Term, the Trustee shall, at least 20 days prior to the last day of each Fiscal Year, make written inquiry of the City as to whether the City has extended the term of this Master Lease and whether the governing body of the City shall have made the appropriation necessary to pay the Base Rentals and reasonably estimated Additional Rentals to become due during such succeeding Renewal

Term. The City shall deliver written notice to the Trustee as soon as practicable, but in no event later than the expiration of the Original Term or the then current Renewal Term, stating (as the case may be) that: (i) the governing body of the City has failed or refused to appropriate, specifically with respect to this Master Lease, moneys sufficient to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term and stating what actions the City and its officials propose to take with respect to this Master Lease, the Projects and any budgetary procedures for any Base Rentals and Additional Rentals that may thereafter accrue; or (ii) that the City is precluded from adopting its final budget for the fiscal year in question due to the procedural requirements of State law described below.

In the event the governing body of the City is precluded, solely as a result of notice, hearing or other procedural requirements imposed by State law in connection with the adoption of a final budget, from adopting a final budget on or prior to the last day of any Fiscal Year, no Event of Nonappropriation shall be deemed to have occurred as a result of the failure to so adopt a final budget, provided that: (i) prior to the last day of such Fiscal Year, the governing body of the City shall have adopted a tentative budget which includes a tentative appropriation of City Funds sufficient to pay the Base Rentals and reasonably estimated Additional Rentals to become due during the succeeding Renewal Term; (ii) prior to the last day of such Fiscal Year, the City shall have delivered to the Trustee and any Security Instrument Issuer, a copy of the tentative budget adopted by its governing body and a notice stating that it is the intention of the governing body to renew the Lease Term upon the adoption of the final budget; (iii) any Base Rentals or Additional Rentals described in the preceding paragraph and provided further that any Rentals which become due and payable pursuant to the terms of this Master Lease prior to the adoption of such final budget shall be paid by the City in accordance with the tentative budget adopted by the governing body of the City; and (iv) the governing body of the City shall adopt a final budget on or before the last date allowable under applicable law that includes the appropriation of City Funds required under this Section 4.1 to renew the Lease Term. The City shall promptly file a copy of the final budget so adopted by its governing body with the Trustee.

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

- (a) the exercise by the City of its option to purchase the Authority's interest in all of the Projects, granted under the provisions of this Master Lease;
- (b) an Event of Default and the election of the Authority or the Trustee to terminate this Master Lease under Article XIV hereof;
- (c) the discharge of the lien of the Indenture under Article VIII thereof;
- (d) the expiration or termination of the Lease Term pursuant to an Event of Nonappropriation or Section 10.3 of this Master Lease under the conditions provided therein; or
- (e) the last day of the Lease Term of this Master Lease, upon payment of all Base Rentals and Additional Rentals required hereunder.

Section 4.3. Effect on the City of Expiration or Termination of the Term of this Master Lease. The expiration or termination of the term of this Master Lease as to the City's right of possession and use of the Projects pursuant to Section 4.2(b) or (d) hereof shall terminate all obligations of the City under this Master Lease (except to the extent of legally available City Funds from the Project) and shall terminate the City's rights of use, occupancy and operation of the Projects; provided, however, that all other terms of this Master Lease and the Indenture, including all obligations of the Trustee with respect to the Bondholders and the receipt and disbursement of funds, shall be continuing until the lien of the Indenture is discharged or foreclosed, as provided in the Indenture, except that all obligations of the City to pay any amounts to the Bondholders and the Trustee hereunder shall thereafter be satisfied only as provided in the Indenture. The termination or expiration of the term of this Master Lease as to the City's right of possession and use pursuant to Section 4.2(b) or (d) hereof, in and of itself, shall not discharge the lien of the Indenture.

Section 4.4. Revised Schedule of Base Rentals and Option Price. Upon partial redemption of any Series of Bonds pursuant to the Indenture, or the issuance of Additional Bonds or Refunding Bonds pursuant to the Indenture, the Authority shall provide the City and the Trustee with a revised schedule of Base Rentals which schedule shall take into account such redemption or issuance and shall be and become for all purposes thereafter Exhibit D to this Master Lease setting forth the Base Rentals.

ARTICLE V

ENJOYMENT OF PROJECTS

The Authority hereby covenants to provide the City during the Lease Term with quiet use and enjoyment of the Projects, and the City shall, by keeping and performing the agreements and covenants on its part contained in this Master Lease, during the Lease Term peaceably and quietly have and hold and enjoy the Projects, without suit, trouble or hindrance from the Authority, the Trustee or the Bondholders, except as expressly set forth herein and in the Indenture and the Security Documents. Neither the Authority, the Trustee 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 Projects and shall be joined as a party in any action affecting its liabilities hereunder.

The Authority, the Bondholder and the Trustee and their respective designated representatives shall have the right at all reasonable times during business hours (and in emergencies at all times) to enter into and upon the Projects for the purpose of inspecting the same, for any purpose related to the Authority's obligations or rights under this Master Lease or for any other lawful purpose.

ARTICLE VI

PAYMENTS BY THE CITY

Section 6.1. Payments to Constitute Current Expenses of the City. The City and the Authority acknowledge and agree that the obligation of the City to pay Base Rentals and Additional Rentals under this Master Lease constitutes current expenses 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 other constitutional or statutory limitation or requirement applicable to the City concerning the creation of indebtedness. No provision of this Master Lease shall be construed or interpreted (i) to require the governing body of the City to appropriate any money to pay the Base Rentals, the Additional Rentals or the Purchase Option Price, or (ii) 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 thereon, and neither this Master Lease, the Indenture, 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 or the Bonds or any interest thereon except as expressly provided herein. If the City fails to pay any Base Rentals or Additional Rentals due under this Master Lease it shall immediately quit and vacate the Projects and its obligation to pay Base Rentals or Additional Rentals hereunder shall terminate.

Section 6.2. Payment of Base Rentals.

(a) The City shall pay Base Rentals exclusively from City Funds. The City shall pay Base Rentals during the Lease Term in such amounts as shall be sufficient to pay principal and interest when due on the Bonds. The Base Rentals shall be payable directly to the Trustee in periodic payments at the times and manner and in the amounts as specified in the schedule of Base Rental payments attached as Exhibit D hereto as shall equal the interest payments falling due on the Bonds on the next succeeding Interest Payment Date and the principal payments falling due on the Bonds either by regularly scheduled maturities or by mandatory sinking fund installment or redemption, on the next succeeding principal payment date, such that there shall be on deposit with the Trustee at least fifteen days prior to each principal and/or interest payment date on the Bonds an amount sufficient to make such payment. At the time of execution of this Master Lease, Base Rental payments for each payment date will equal the amounts set forth in Exhibit D hereto (however, in the event the City does not ensure payments in Exhibit D are paid in full, it shall be deemed an Event of Nonappropriation or an Event of Default, as applicable). The City understands that the Base Rental Payment Schedule attached as Exhibit D may be revised from time to time based on the redemption of Bonds (other than mandatory sinking fund redemptions), or the issuance of any Additional Bonds or Refunding Bonds allowed under the Indenture. The City hereby agrees to pay the Base Rentals in accordance with the Base Rental Payment Schedule attached hereto as Exhibit D hereto as it may be revised from time to time by such amounts as are necessary to reflect the redemption of the

principal of certain Bonds or to pay the principal of the Additional Bonds or Refunding Bonds and interest on such Additional Bonds or Refunding Bonds.

In addition, in the event the market value of the amount on deposit in the Debt Service Reserve Fund is, for any reason, reduced below the Debt Service Reserve Requirement, the City shall, in the event it elects to renew this Master Lease during the following Renewal Term, and as a condition of renewal (but solely from City Funds), pay to the Trustee in two substantially equal semiannual payments additional Base Rentals during the Lease Term, in an amount sufficient to replenish the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(b) In the event that (1)(A) a portion of a Project (the “Completed Portion of the Project”) financed with a separate Series of Bonds is accepted by the City for use and occupancy under this Master Lease, and (B) the acquisition and construction of additional portions of the Project (the “Uncompleted Portion of the Project”) financed with one or more Series of Bonds (other than the Series of Bonds described in (A) above) have yet to be completed, and (2) an Event of Default (as defined in the Indenture) occurs under the Indenture due to the failure to complete the Uncompleted Portion of the Project, the City and the Authority hereby agree, as follows:

(i) The City consents to the provisions of Section 9.15 of the General Indenture governing such an Event of Default; and

(ii) The City shall, subject to the occurrence of an Event of Nonappropriation, continue to pay Base Rentals and Additional Rentals with respect to the Completed Portion of the Project and this Master Lease shall remain in full force and effect with respect to the Completed Portion of the Project.

(c) The amount of the Base Rentals otherwise payable by the City hereunder shall be reduced by an amount equal to (i) any earnings on the investment of the Bond Fund, (ii) any moneys transferred to the Bond Fund from the Debt Service Reserve Fund pursuant to paragraph (b) of Section 5.10 of the General Indenture (other than from draws on a Reserve Instrument), and (iii) any Direct Payments on deposit with the Trustee in the Bond Fund. In the event that Direct Payments are deposited with the Trustee after the City has made the related payment of Base Rentals, the City may elect to have the Trustee return to the City an amount equal to such Direct Payments (so long as the amount remaining on deposit in the Bond Fund continues to be sufficient to pay principal and interest next due on the Bonds, if such payment is requested prior to the related Interest Payment Date) or to have the Trustee retain the Direct Payments in the Bond Fund and take the credit with respect to the next required Base Rentals payment. Each payment of Base Rentals shall be in consideration for the use of the Projects by the City during the applicable period commencing on the Bond Payment Date next preceding the Bond Payment Date to which such Base Rental payment is attributable and for the option to purchase the Projects granted herein.

(d) The payments of Base Rentals and Additional Rentals under this Master Lease for each Renewal Term during the term of this Master Lease shall constitute the total

Rentals which are payable for said Renewal Term and shall be paid by the City for and in consideration of the right of use, occupancy and operation of the Projects and the continued quiet use and enjoyment of the Projects for and during said Renewal Term. The parties hereto agree that such total Rentals will represent the fair rental value of the Projects. In making such determination, the parties will give consideration to the costs of financing the Costs of Acquisition and Construction of the Projects, the uses and purposes of the Projects and the benefits therefrom which will accrue to the parties to this Master Lease and the general public by reason of the Projects.

(e) Notwithstanding the foregoing, the City may not elect to renew this Master Lease in part and in the event it desires to renew this Master Lease must continue to pay City Funds in an amount sufficient to pay Base Rentals attributable to all of the Projects which have been delivered for occupancy or use (or any portion thereof, in proportion to such available portion).

(f) It is understood and agreed by the City that, subject to the terms of this Master Lease and the Indenture, all Base Rentals payable under this Section 6.2 by the City, as well as the Purchase Option Price, if paid with respect to any or all of the Projects, are assigned by the Authority to the Trustee for the benefit of the Bondholders as set forth in the Indenture. The City assents to such assignment. The Authority hereby directs the City, and the City hereby agrees, to pay to the Trustee at its principal office in Salt Lake City, Utah or such other office as designated by the Trustee, all Base Rentals payable by the City pursuant to this Section 6.2 and, if paid, the Purchase Option Price.

(g) The amount of the Base Rentals and Purchase Option Price otherwise payable shall be reduced as appropriate to reflect any redemption of Bonds and/or the purchase of Bonds and the cancellation thereof in advance of their maturity. If at any time the amounts held by the Trustee in the Bond Fund and the Debt Service 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 premium, if any, on all of the 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 Projects. In addition to the Base Rentals and as part of the total consideration for the use of the Projects and the option to purchase any or all of the Projects, and commencing upon the execution and delivery of this Master Lease and continuing throughout the period that the City pays Base Rentals, the City shall pay or shall cause to be paid the following Additional Rentals, exclusively from City Funds, during the Lease Term thereof as hereinafter provided:

(a) the annual fee of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture;

(b) the reasonable fees and expenses of the Trustee and any paying agent appointed under the Indenture with respect to the Bonds for acting as paying agent as provided in the Indenture;

(c) the reasonable fees and expenses of the Trustee for extraordinary services rendered by it and extraordinary expenses, including the fees and expenses of its counsel, incurred as Trustee under the Indenture;

(d) the reasonable out-of-pocket expenses of the Authority relating to the Projects not otherwise required to be paid by the City under the terms of this Master Lease;

(e) the costs of maintenance and repair of the Projects as required under Section 9.1 hereof;

(f) the costs of taxes, governmental charges, utility charges, management and operations expenses, liens and encumbrances with respect to the Projects as required under Section 9.3 hereof;

(g) the costs of casualty, public liability and property damage and worker's compensation insurance with respect to the Projects as required under Sections 9.4, 9.5 and 9.6 hereof;

(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;

(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 Master Lease;

(j) any amounts required to be deposited to the Rebate Fund established with respect to a Series of Bonds;

(k) Security Instrument Costs, Security Instrument Repayment Obligations, Reserve Instrument Costs and Reserve Instrument Repayment Obligations; and

(l) during the Original Term or any Renewal Term in which there is an insufficiency of Net Proceeds as described in Section 10.2 hereof, an amount equal to the insufficiency of Net Proceeds required to repair, replace, restore or modify the affected Project or Projects.

The Additional Rentals specified in subsections (a), (b), (c) and (k) shall be payable to the Trustee and shall be due and payable within ten days after notice in writing from said Trustee 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 Indenture, 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 or fees were incurred and shall be due and payable at such time as the Authority or such person or entity shall require. Additional Rentals specified in subsection (j) shall be determined by, or at the direction of, the City and deposited with the Trustee as required by Section 148 of the Code.

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, the Trustee, any Bondholder, any contractor or subcontractor retained with respect to the construction and equipping of a 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 or any 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.

(a) The City hereby finds as of the date of this Master Lease, that it has an essential need for the Project to carry out and give effect to the public purposes of the City. The City and the Authority hereby agree and determine that the Base Rentals and items of Additional Rentals with respect to the Project are reasonable and that the Purchase Option Price with respect to the Project represents, as of the end of the Lease Term, a reasonable purchase price for the Project. In making such determination the City and the Authority have given consideration to the costs 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 Master Lease.

(b) The City must find that, as of the date of the execution of an Amendment to this Master Lease relating to a Project, the City then has an essential need for such Project which is the subject of the Amendment to Master Lease to carry out and give effect to the public purposes of the City. At the time of execution of such Amendment to Master Lease, the City and the Authority must agree and determine that the Base Rentals and Additional Rentals payable with respect to such Project that is the subject of such Amendment to Master Lease are reasonable and that the Purchase Option Price represents, as of the end of the Lease Term, a reasonable purchase price for such Project. In making such determination the City and the Authority will give consideration to the costs of such Project, the cost of financing such Project, the uses and purposes for which such 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 such Project pursuant to the provisions of this Master Lease.

Section 6.6. Nonappropriation. In the event that sufficient City Funds shall not be budgeted and appropriated by the City, in a final budget adopted within the time permitted by Section 4.1 hereof, 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 Master 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 Master Lease, or upon an Event of Nonappropriation, the City shall immediately quit and vacate the Projects and its obligation to pay Base Rentals or Additional Rentals hereunder shall terminate. The Trustee 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 of the Bonds and the Trustee shall be further entitled to all moneys then on hand and being held in all funds created under the Indenture, less any moneys then due and owing to the Trustee for services performed as trustee thereunder. All property, funds and rights acquired by the Trustee by reason of an Event of Nonappropriation as provided herein shall be held by the Trustee under the Indenture for the benefit of the Bondholders as set forth in said Indenture until the principal of, premium, if any, and interest on the Bonds are paid in full and other amounts payable under the Indenture are paid in full and any excess shall thereafter be paid to the City.

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 (k) of Section 6.3 hereof, and, if paid by the City, the Purchase Option Price shall be paid to the Trustee for application in accordance with the Indenture.

Section 6.8. Request for Appropriation. During the Lease Term, the City covenants and agrees as follows:

(a) 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 and all City Funds then legally available for such purpose), to pay the Base Rentals and reasonably estimated Additional Rentals (calculated pursuant to Section 6.3 hereof) for the Projects during the next succeeding Renewal Term; and

(b) 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 City Funds 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 State law.

The next inclusion in the City's annual tentative budget shall be made under applicable law prior to the Fiscal year commencing July 1, 2024, so that the Base Rentals 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 and Additional Rentals to be paid during the succeeding 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. To effect the covenants set forth in (a) above, the City hereby directs its budget officer, 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 Master Lease is in effect, items for all payments required for the ensuing Renewal Term under this Master Lease. It is hereby expressed as the intention of the City that the decision to renew or not to renew the term of this Master Lease is to be made solely by the governing body of the City at the time it considers for adoption of 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

ACQUISITION AND CONSTRUCTION OF PROJECTS

Section 7.1. Agreement to Acquire and Construct the Projects. The City and the Authority agree that the Authority shall cause the Projects to be acquired and constructed as herein provided, all of which construction, shall be made in accordance with the plans and specifications for such Projects as approved by the City. The City hereby agrees that in order to effectuate the purposes of this Master Lease, it authorizes the City Representative or the Authority Representative, on behalf of the Authority, to make, execute, acknowledge and transmit any other 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 carrying out and furtherance of the acquisition and construction of the Projects.

The Authority agrees to carry out or to cause to be carried out the acquisition, construction and equipping of any Project through the application of moneys to be disbursed from the Construction Fund by the Trustee utilizing a requisition request complying with the requirements of Section 7.3 herein.

The Authority agrees to cause all Projects to be constructed with all reasonable dispatch, subject only to delays caused by Force Majeure excepted.

The City hereby covenants, to the extent permitted by applicable law, to use other legally available funds and to seek additional legally available funds to the extent necessary to complete the acquisition, construction and equipping of any Project as herein required, or to make certain design changes in such Projects to the extent necessary to complete the acquisition, construction and equipping of such Projects with moneys then available for such purposes in the Construction Fund.

Section 7.2. Application of Proceeds of Series 2023 Bonds. The proceeds from the sale of the Series 2023 Bonds shall be applied as set forth in the First Supplemental Indenture.

Section 7.3. Disbursements from the Construction Fund. The Authority has, in the Indenture, authorized and directed the Trustee to make payments from the Construction Fund (if any) under the Indenture to pay the Costs of Acquisition and Construction of the Projects. So long as the Trustee has not received notice nor is deemed to have received notice pursuant to Section 10.1(h) of the General Indenture that an Event of Nonappropriation or Event of Default has occurred and is continuing, the Trustee is hereby authorized to disburse the amounts on deposit in the Construction Fund, as provided herein and therein.

Other than for payment of capitalized interest on the Bonds, which shall be paid by the Trustee without further direction (as prescribed in the First Supplemental Indenture), such payments shall be made upon receipt by the Trustee of a requisition in substantially the form attached hereto as Exhibit C and signed by the City Representative on which requisition the Trustee is entitled to conclusively rely.

Section 7.4. Establishment of Completion Date; Disbursement of Balance of Construction Fund. The Completion Date with respect to any one Project shall be evidenced to the Trustee by a certificate signed by the City Representative and the Authority Representative stating that, except for amounts retained by the Trustee at the direction of the Authority for any Costs of Acquisition and Construction not then due and payable, (i) the acquisition, construction, installation and improvement of such Project has been completed in accordance with the plans and specifications and all labor, services, materials and supplies used in such acquisition, construction, installation and improvement have been paid for; (ii) all other facilities necessary in connection with such Project have been constructed, acquired and installed to their satisfaction; (iii) such Project is suitable and sufficient for its intended purposes; and (iv) all costs and expenses incurred in the acquisition, construction and equipping of such Project have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Upon receipt of such certificate, the Trustee shall retain in the applicable Construction Fund account an aggregate sum equal to the amount estimated by the City Representative and the Authority Representative to be necessary for payment of the Cost of Acquisition and Construction not then due and payable. All moneys then on hand in such Construction Fund account in excess of the amount to be retained shall be transferred by the Trustee, as set forth in a written direction of the Authority and the City, to the Bond Fund to be used by the Trustee as provided in the related Supplemental Indenture.

Section 7.5. Investment of Construction Fund, Bond Fund, Rebate Fund and Debt Service Reserve Fund Moneys. Subject to the provisions of Article VI of the General Indenture, any moneys held as a part of the Construction Fund, the Bond Fund, the Debt Service Reserve Fund or the Rebate Fund or any other fund created under the Indenture shall be invested and reinvested by the Trustee upon the written direction of the City in Investment Obligations (as defined in the Indenture) unless otherwise provided by Supplemental Indenture.

Section 7.6. Design Contracts and Construction Contracts.

(a) The City agrees that upon the occurrence of an Event of Nonappropriation or an Event of Default and upon receipt of a written request from the Trustee, it will assign to the Trustee all of its right, title and interest in and to all Design Contracts and other Project documents. The City shall have and keep on file and available for inspection by the Authority and the Trustee copies of the Design Contracts as soon after the commencement of the Lease Term as such Design Contracts shall become available to the City and throughout the Lease Term.

(a) Each Construction Contract executed in connection with a Project must provide that, upon an Event of Nonappropriation or Event of Default, the Construction Contract will be fully and freely assignable to the Trustee without the consent of any other person; and that, if the Construction Contract is assumed by the Trustee, the Contractor will perform the agreements contained in the Construction Contract for the Trustee. Each Construction Contract must also provide that, upon an Event of Nonappropriation, an Event of Default or damage to, or destruction or condemnation of, the Project as described in Section 10.1 hereof, the Trustee may terminate such Contract, and the contractor shall then be entitled to payment only from amounts available therefor in the Construction Fund and only for work done prior to such termination. The City agrees that upon the occurrence of an Event of Nonappropriation or an Event of Default and upon receipt of a written request from the Trustee, it will assign to the Trustee all of its right, title and interest in and to all Construction Contracts and other Project documents. Each Construction Contract shall be for a fixed price and shall require the contractor to provide 100% payment and performance bonds as provided in Section 7.8 hereof. In the event of any change order resulting in the performance of additional work in connection with the construction of the Project, the amount of such bonds pertaining thereto shall be increased to include the cost of such additional work or materials or fixtures to be incorporated in the Project. The City shall have and keep on file and available for inspection by the Authority and the Trustee copies of the Project documents as soon after the commencement of the Lease Term as such Project documents shall become available to the City and throughout the Lease Term.

Section 7.7. Defaults Under Design Contracts or Construction Contracts. In the event of any material default under any Design Contract or Construction Contract, or in the event of a material breach of warranty thereunder with respect to any materials, workmanship or performance, the City and the Authority shall promptly proceed, either separately or in conjunction with others, to pursue diligently their remedies against the Contractor in default and/or against each surety on any bond securing the performance of such contracts. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery (including, without limitation, attorneys' fees and costs) and, after reimbursement to the City or the Authority of any amounts theretofore paid by the City or the Authority and not previously reimbursed to the City or the Authority for correcting or remedying the default which gave rise to the proceedings against the contractor or surety, shall be paid into the applicable Construction Fund account if received before the Completion Date, and shall be used for Costs of Acquisition and Construction of the related Project, or, at the direction of the Authority, shall be transferred by the Trustee into the Bond Fund

created under the Indenture to pay principal and/or interest next coming due on the related Series of Bonds.

Section 7.8. Contractor's Performance and Payment Bonds. Each Contractor retained by the City or the Authority in connection with a Construction Contract shall be required to furnish a performance bond and a labor and material payment bond on forms acceptable to the City. Such bond shall be made payable to the Trustee and shall be executed by a corporate surety licensed to transact business in the State and shall be in the full amount of the contract price for such contractor's portion of such Project. If, at any time during the construction of a Project, the surety on such bond shall be disqualified from doing business in the State, an alternate surety shall be selected by the Authority.

Section 7.9. Contractor's General Public Liability and Property Damage Insurance. Each Contractor and subcontractor retained by the City or the Authority in connection with a Construction Contract shall be required to procure and maintain comprehensive general public liability and property damage insurance as applicable, at his own cost and expense, in an amount that is consistent with prudent practice during the duration of such Construction Contract. Such policies shall carry loss payable endorsements in favor of the Trustee under the Indenture. Such insurance shall include a provision prohibiting cancellation or amendment without ten (10) days' prior notice by certified mail to the Trustee. Such insurance shall provide protection from all claims for bodily injury, including death, and all claims for destruction of or damage to the respective Project arising out of or in connection with such contractor's performance of his contract, whether such operations be by himself or by any subcontractor under him or anyone directly or indirectly employed by the contractor or such subcontractor. All limitations of liability contained in such insurance policy or policies and set forth on such certificate of insurance, and any exclusions provided therein, shall be approved by the City.

Section 7.10. Contractor's Builder's Risk Completed Value Insurance. Unless otherwise obtained by the City or the Authority, each Contractor and subcontractor retained by the City or the Authority in connection with a Construction Contract shall be required to procure and maintain during the term of his contract and until such Project is accepted and insured by the Authority and the City, builder's risk completed value insurance upon the building, facilities or improvements constructed or to be constructed, in whole or in part, by such contractor or subcontractor, insuring against loss or damage caused by fire, malicious mischief, vandalism and such other hazards as may be insured against in the standard extended coverage provisions of such policies used in the State. Such policies shall contain a waiver of subrogation by the issuer of each such policy with respect to the Trustee under the Indenture. Such policies may contain deductible amounts of not more than the amount that is then customary for such policies. Such insurance coverage shall be in an amount at least equal to the contract price for such contractor's or subcontractor's work. In the event of any change order resulting in the performance of additional work in connection with a Project, the amount of such insurance shall be increased to include the cost of such additional work, as well as materials and fixtures to be incorporated in such Project.

Such builder's risk completed value insurance policies shall carry loss payable endorsements in favor of the Trustee under the Indenture. No agency or employee of the City or the Authority shall have the power to adjust or settle any loss with respect to a Project without the prior written consent of the Trustee. Such insurance shall contain provisions prohibiting

cancellation or amendment without ten (10) days' prior written notice to the Authority and the Trustee.

Section 7.11. Contractor's Worker's Compensation Insurance. Each contractor and subcontractor retained in connection with a Construction Contract shall be required to procure and maintain worker's compensation insurance during the term of his contract as required by the laws of the State, covering his employees working thereunder, which coverage shall also include occupational disease. Such insurance, if issued by a private carrier, shall contain a provision that such coverage shall not be canceled or amended without ten (10) days' prior written notice to the City. Each Construction Contract shall also provide that each subcontractor of any contractor who is a party to such contract shall be required to furnish similar worker's compensation insurance, including occupational disease coverage.

Section 7.12. Proceeds of Certain Insurance Policies and Performance Bonds. The Net Proceeds of any performance or payment bond or insurance policy required by Section 7.8, Section 7.9, and Section 7.10 of this Master Lease shall be deposited with the Trustee and applied as provided in Section 10.2 of this Master Lease and Section 5.16 of the General Indenture.

ARTICLE VIII

TITLE TO THE PROJECTS; SECURITY INTEREST

Section 8.1. Title to the Projects. A fee simple interest or leasehold interest, as applicable, in the site of the Projects and title to the Projects 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 of this Master Lease. The City shall not have any right, title or interest in a 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 Indenture, the Authority shall grant to the Trustee a security interest in the Projects and the Base Rentals received by the Authority under this Master Lease. Upon execution of this Master Lease, the City and the Authority agree that the Authority shall execute the Security Documents and the Indenture. The Authority agrees that the Authority Representative shall, on its behalf, execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to the Authority or the Trustee, which the Authority or the Trustee reasonably deems necessary or advisable to establish and maintain the security interests to be granted pursuant to this Section 8.2. The Authority, the City and the Trustee, when directed by the Authority in writing, shall execute from time to time such continuation statements as will be necessary to preserve and protect the security interest granted under the provisions in this Section 8.2

ARTICLE IX

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 9.1. Maintenance of the Projects by the City. The City shall, at its own expense from available City Funds, operate, manage, keep and maintain the Projects (or cause the Projects

to be operated, managed, kept and maintained) 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 Projects. 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.

It is understood and agreed that in consideration of the payment by the City of the Base Rentals and Additional Rentals herein provided for, the Authority is only obligated to provide the Projects in the manner, at the times and to the extent herein provided, and neither the Authority, the Trustee nor any owner of any Bond shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Projects during the term of this Master Lease.

Without limiting the generality of the foregoing, the City shall, as if the City were the absolute owner thereof, assume all responsibility for the Projects (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 sites where the Projects are located and all sidewalks and parkways located adjacent to the sites where the Projects are located) and pay all costs or cause the payment of 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 Projects. The City shall have the privilege of remodeling any Project or making substitutions, additions, modifications and improvements thereto, at its own cost and expense, and the same shall be subject to this Master Lease, the Indenture 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 such Projects or cause it to be used for purposes other than those authorized under the provisions of this Master Lease, and the Constitution and laws of the State; and provided, however, that such Projects, 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 such Projects 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 Projects 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 Trustee 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 Projects, 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 Trustee 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 Indenture and the Security Documents will be materially endangered or the Projects 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 Trustee 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 a 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 such Project, an Additional Rental, from and to the extent of City Funds, shall be paid, or cause to 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 Indenture), or any interest therein (including the interest of the Authority) on the rentals and revenues derived therefrom or hereunder. The City shall also pay, or shall cause to be paid, 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 Projects.

As long as the City is in possession of the Projects 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 Projects. The City in its discretion may discharge its responsibility hereunder by: (1) using its own employees; or (2) contracting for services; or (3) subleasing all or portions of the Projects, subject to the provisions of this Master Lease and the Indenture; or (4) any combination of such methods. No such contract or sublease shall place a greater burden on the Authority than provided herein, nor infringe upon rights granted to or retained by the Authority hereunder, nor violate or in any way impair the Authority's obligations under the Indenture 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 Projects.

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 Trustee, or in court, a bond or other security satisfactory to the Trustee pursuant to the Security Documents unless the Trustee 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 Indenture and the Security Documents will be materially endangered or the Projects 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 Trustee may (but shall be under no obligation to) pay the same, which amounts, together with interest thereon at a rate per annum equal to the one-month U.S. Federal Treasury Rate, but in no event less than a rate of 3.5% per annum, 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, with the Trustee listed as a loss payee, the Projects against loss or damage of the kinds usually insured against by public bodies similarly situated, including, without limitation, policies of casualty and property damage, 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 Projects. 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 principal amount of all of the Bonds then Outstanding of the Series which financed said Projects (or applicable portions thereof in case said Series of Bonds financed more than one Project). Alternatively, the City may insure or cause to be insured under a blanket insurance policy or policies which cover not only the Projects but other properties in the amounts required by the previous sentence.

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 Trustee. The Net Proceeds of the insurance required in this Section 9.4 shall be applied as provided in Section 10.2 hereof or, at the option of the City, Section 10.3 hereof. Each insurance policy provided for in Section 9.4 hereof 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, the Authority or the Trustee without first giving written notice thereof to the City, the Authority and the Trustee at least thirty days in advance of such cancellation or modification. Certificates evidencing all insurance policies issued pursuant to this Section 9.4 or Section 9.5 hereof shall be deposited with Trustee.

Section 9.5. Public Liability Insurance. The City agrees self-insure or to carry or cause to be carried public liability insurance with one or more reputable insurance companies in amounts that are typically carried by governmental entities of the same size as the City for property damage for any occurrence. In the event that the limits on governmental liability established by Title 63G, Chapter 7, Utah Code Annotated 1953, as amended, are increased, the amounts required by this Section 9.5 shall be deemed to be increased to such higher amounts. If self-insurance is not utilized, the Authority and the Trustee shall be made additional insureds under such policies. The insurance required by this Section 9.5 may be by blanket insurance policy or policies or self-insurance meeting the following requirements: (i) such program must provide for disbursements therefrom without action (other than a ministerial action) of the governing body of the City and (ii) such program shall be reviewed at least annually by an actuarial consultant (including professional staff of the City), 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 such

amount as shall be approved by the Authority and the Trustee. The City may not self-insure for property/casualty insurance without the prior consent of any Security Instrument Issuer.

Section 9.6. Worker's Compensation Coverage At all times from the date hereof until the end of the Lease Term, the City shall, either by a policy of insurance or by self-insurance, 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 Projects, including coverage for occupational diseases.

Section 9.7. Advances. In the event the City shall fail to maintain the full insurance coverage required by this Master Lease or to keep the Projects in good repair and operating condition, the Trustee may take out the required policies of insurance and pay the premiums 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 per annum equal to the one-month U.S. Federal Treasury Rate, but in no event less than a rate of 3.5% 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 is required under Security Documents to reimburse the Trustee for any insurance policies required by this Article, the City will promptly pay directly to the Trustee 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 Trustee shall bear interest at the one-month U.S. Federal Treasury Rate, but in no event less than a rate of 3.5% per annum. The City shall, upon the Authority's reasonable request, deposit with the Trustee on the first of each month, monthly installments each in 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 Trustee. If at any time and for any reason the funds deposited with the Trustee 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 Trustee. The City shall pay to the Trustee, all reasonable fees for extraordinary services rendered by the Trustee pursuant to this Section 9.8.

ARTICLE X

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 Indenture) (i) the Projects 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 Projects or any material portion thereof or the Projects 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 a Project shall become apparent; or (iv) title to or the use of all or any material portion of the Projects shall be lost by reason of a defect in title thereto, the

City shall be obligated, from and to the extent of City Funds and subject to the provisions of Section 10.3 of this Master Lease, to continue to pay the amounts specified in Sections 10.2, 6.2 and 6.3 of this Master Lease regardless of whether said Projects shall have been accepted.

Section 10.2. Obligation of the City to Repair and Replace a Project. Subject to the provisions of Section 10.3 of this Master Lease, the City, the Authority, and the Trustee shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards with respect to a Project or Projects to be deposited in the applicable Construction Fund accounts if received before the Completion Date and in a separate trust fund under the Indenture if received thereafter. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification or improvement of said Project or Projects by the City upon receipt of a requisition acceptable to the Trustee 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 applicable Construction Fund accounts or 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 Trustee 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 of, premium, if any, and interest on the applicable Series of 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 Indenture), any balance remaining in such Construction Fund account(s) or 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, 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, the Trustee or the Bondholders of the Bonds nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals payable under Section 6.2 and Section 6.3 of this Master Lease. The City further agrees that any repair, restoration, modification or improvement paid for in whole or in part from such Net Proceeds shall be subject to the security afforded by the Indenture, this Master Lease and the Security Documents, and shall be included under the terms hereof.

Section 10.3. Covenant to Seek Appropriation of Insufficiency of Net Proceeds; Discharge of the Obligation of the City to Repair and Replace the Projects. In the event that the Net Proceeds of any insurance policy, performance bond or condemnation award shall be insufficient to pay in full the cost of any repair, restoration, or modification of a Project or Projects required under Section 10.2 of this Master Lease, the appropriate budget officers of the City shall, within 15 days of notice of such insufficiency, seek an appropriation from the City for an amount equal to any such insufficiency. In the event that the City shall fail to appropriate, by the first day of the next Renewal Term following such request for an appropriation, an amount at least equal to such insufficiency for such purpose, the obligation to repair and replace said Project or Projects under Section 10.2 of this Master Lease may 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 said Bond Fund, the

City shall have no further obligation for the payment of Base Rentals and Additional Rentals hereunder with respect to said Project or Projects, and possession of said Project or Projects as well as all rights created pursuant to this Master Lease and the interest of the City and the Authority therein and in any funds or accounts created under the Indenture with respect to said Project or Projects (except for moneys held in the Rebate Fund and for the payment of Bonds not then deemed Outstanding), shall be surrendered to the Trustee, as trustee for the Bondholders of the applicable Series of Bonds. Thereafter, the Authority's interest in said Project or Projects may be liquidated pursuant to the provisions of and subject to the limitations set forth in the Indenture, 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 Indenture with respect to said Project or Projects (except moneys held in the Rebate Fund or for the payment of Bonds not then deemed Outstanding), shall be applied to the redemption of the applicable Series of Bonds on the next succeeding redemption date. Such redemption of the applicable Series of Bonds shall be made upon full or partial payment of the principal amount of said Bonds then Outstanding and accrued interest thereon all in accordance with the Indenture.

Section 10.4. Cooperation of the Authority and the Trustee. The Authority and the Trustee 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 Master Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to a Project or Projects or any portion thereof or any property of the City in connection with which a 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 behalf of the Authority and the Trustee. In no event will the Authority or the Trustee 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 Projects.

ARTICLE XI

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

Section 11.1. Disclaimer or Warranties. NEITHER THE AUTHORITY NOR THE TRUSTEE MAKE ANY 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 PROJECTS OR ANY OF THE EQUIPMENT OR FIXTURES THEREIN OR ANY OTHER REPRESENTATION OR WARRANTY. In no event shall the Authority or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Master 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 Projects 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 Trustee 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, county and city governments and of all courts or other governmental authorities having jurisdiction over the Projects or any portion thereof and of all their respective departments, bureaus and officials, and of the insurance regulatory agencies having jurisdiction over the Projects, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Projects 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 Projects. The City and the Authority agree that the Trustee and the Bondholder and their duly authorized agents shall have the right at all reasonable times to enter upon the Projects and to examine and inspect the same. The Trustee and their 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 Projects.

Section 11.6. Granting of Easements and Releases. As long as no Event of Default with respect to the Projects shall have happened and be continuing, the City may at any time or times grant easements, licenses, rights of way and other rights or privileges in the nature of easements with respect to any property or rights included in this Master Lease and the Indenture, free from the security interest afforded by or under this Master Lease, the Indenture and the Security Documents or the City may release portions of the sites on which a Project or Projects is located or existing easements, licenses, rights of way and other rights and privileges with or without consideration, and the Authority agrees that it shall execute and deliver and will cause and direct the Trustee to execute and deliver, any instrument necessary or appropriate to confirm and grant or release such portion of the Project Site or 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 such Projects or any material portion thereof; and (iii) an opinion of counsel to the City that such grant or release will not materially weaken, diminish or impair the security granted to the Bondholders and contemplated hereby or under this Master Lease, the Indenture or the Security Documents.

Section 11.7. Issuance of Refunding Bonds. Refunding Bonds may be issued by the Authority in accordance with the provisions of Section 2.13 of the General Indenture and with a

corresponding effect on the Base Rentals and Additional Rentals due under this Master Lease as provided in Section 4.4 hereof.

Section 11.8. Issuance of Additional Bonds. Additional Bonds may be issued by the Authority in accordance with the provisions of Section 2.14 of the General Indenture and with a corresponding effect on the Base Rentals and Additional Rentals due under this Master Lease as provided in Section 4.4 hereof.

ARTICLE XII

CONVEYANCE OF THE PROJECTS

Section 12.1. Conveyance of the Projects.

(a) The Authority's right and interest in and to all of the Projects shall be transferred, conveyed and assigned by the Authority to the City:

(i) Upon payment by the City to the Trustee of the then applicable Purchase Option Price and upon giving not less than thirty days prior written notice to the Authority and the Trustee; or

(ii) Upon payment by the City to the Trustee of all Base Rentals and Additional Rentals required to be paid under this Master Lease during the Lease Term; or

(iii) Upon the discharge of the lien of the Indenture under Article VIII thereof.

Under the Indenture, the Trustee shall agree to execute such documents and instruments as shall be necessary to effect a release of the security interest granted by said Indenture or the Security Documents upon the payment in full of all of the Bonds.

(b) The City understands that the Purchase Option Price may be revised from time to time based on certain redemptions of Bonds (other than mandatory sinking fund redemptions) or the issuance of any Additional Bonds or Refunding Bonds authorized under the Indenture. In the event the City so elects to purchase all of the Projects as provided herein, the City hereby agrees to pay such applicable Purchase Option Price (together with the other amounts constituting the purchase price for the Projects as provided herein) as it may be revised from time to time by such amounts as are necessary to reflect the redemption of the Bonds or the issuance of Additional Bonds or Refunding Bonds. Nothing herein shall be construed to create any obligation of the City to purchase the Projects.

(c) The City understands that, with respect to the 2023 Project, it may only exercise its option to purchase the 2023 Project only if the purchase option is exercised with respect to all of the various projects that comprise the 2023 Project.

Section 12.2. Release of a Project Upon Payment of Related Series of Bonds. In addition to the purchase option set forth above, the City is hereby granted the option of purchasing a Project in advance of the final maturity of the related Series of Bonds. So long as no Event of Default shall have occurred and be continuing under the Indenture and so long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing under this Master Lease and the Security Instrument Issuer for the related Series of Bonds shall have consented thereto (which consent shall not be unreasonably withheld) unless the related Series of Bonds have been legally defeased or refunded, a Project may be released from the lien created with respect to the Bonds and the Indenture and this Master Lease and transferred to the City (subject to Permitted Encumbrances and liens and encumbrances resulting from the failure of the City to perform or observe the agreements on its part contained in this Master Lease or otherwise consented to by the City), if (i) the City shall deposit with the Trustee the Purchase Option Price for such Projects; and (ii) there shall have been delivered to the Trustee an opinion of nationally recognized bond counsel to the effect that the release of such Projects will not adversely affect the excludability of interest on the Tax-Exempt Bonds from federal gross income of the owners thereof or the status of the Bonds as Tax Credit Bonds, if applicable. The City shall be obligated to pay all costs of the Trustee and the Authority in providing for the transfer and release of any Project or portion thereof.

Section 12.3. Conveyance on Purchase of Projects. At the closing of any purchase of any or all of the Projects pursuant to the option to purchase granted in this Master Lease, the Authority shall, upon receipt by the Trustee 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 Indenture as the case may be, deliver to the City the following:

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

(b) All necessary documents conveying to the City good and marketable title to the Project or Projects to be released as it then exists subject to the following: (i) the right, title and interest of the City in such Project; (ii) those liens and encumbrances created by the City or to the creation or suffering of which the City consented; (iii) 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 Master Lease; and (iv) Permitted Encumbrances, other than the Indenture, this Master Lease, the Security Documents and any financing statements filed by the Authority pursuant to this Master Lease with respect to the Project or Projects to be released or the Indenture.

Section 12.4. Relative Position of Option and Indenture. The purchase option granted to the City in Section 12.1 hereof with respect to all of the Projects shall be and remain prior and superior to the Indenture and may be exercised whether or not an Event of Nonappropriation or Event of Default shall have occurred and be continuing hereunder or under the Indenture; provided, however, that such option must be exercised before the later of (i) ninety days after notification in writing by the Trustee to the City of the occurrence of an Event of Default under the Indenture, or (ii) the ultimate disposition of the Projects 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 and all Security Instrument Costs, Security Repayment Obligations, Reserve Instrument Costs and Reserve Instrument Repayment Obligations.

ARTICLE XIII

ASSIGNMENT, SUBLEASING, INDEMNIFICATION AND SELLING

Section 13.1. The Authority to Grant Security Interest to Trustee. The parties hereto agree that pursuant to the Indenture, the Authority shall assign to the Trustee, in order to secure payment of the Bonds, all of the Authority's right, title and interest in the Master Lease, except the Authority's rights to compensation from the City for expenses of the Authority under Section 6.3(d) of this Master Lease, the Authority's rights to indemnification from the City under Section 13.3 of this Master Lease and the obligation of the City to pay any attorneys' fees and expenses incurred by the Authority under Section 14.5 of this Master Lease.

Section 13.2. Assignment and Subleasing by the City. This Master Lease may not be assigned by the City for any reason. All or portions of a Project may be subleased by the City without the necessity of obtaining the consent of the Authority or any Bondholder; subject, however, to each of the following conditions:

- (a) a Project may only be subleased to a municipality, school district, agency or other political subdivision of the City or the State, or to a private party if the Authority or the City intends to own such Project through the useful life of such Project, and the Authority or the City determines that such ownership of such Project furthers a legitimate public purpose;
- (b) this Master Lease and the obligations of the City to make payment of Base Rentals and Additional Rentals under this Master Lease 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 and the Trustee a true and complete copy of each sublease;
- (d) any such sublease shall be expressly subordinate to the rights of the Trustee and the Bondholders under the Indenture, this Master Lease and the Security Documents;
- (e) receipt by the Trustee of an opinion of bond counsel to the effect that such sublease will not in and of itself cause interest on the Bonds issued to finance such Project to be included in gross income of the owners thereof (if such Bonds were issued as Tax-Exempt Bonds) or will not adversely affect the status of the Bonds as Tax Credit Bonds; and
- (f) receipt by the City of the Trustee's and the Security Instrument Issuer's written consent to such sublease, which consent shall not be unreasonably withheld.

After an Event of Default or an Event of Nonappropriation and the foreclosure of the security afforded under this Master Lease, the Indenture or the Security Documents, the Trustee

may collect the amount of the Base Rentals and Additional Rentals allocable to any sublease from any and all sublessees.

Section 13.3. Release and Indemnification Covenants. To the extent of the Net Proceeds of the insurance coverage of the City, the City shall and hereby agrees to indemnify and save the Authority and the Trustee harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from any work or thing done on the Projects during the Lease Term from: (i) any condition of the Projects; and (ii) any act or negligence of the City or of any of its agents, sublessees, 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 and the Trustee 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 or the Trustee, shall defend them or either of them in any action or proceeding.

In exchange for the City's agreement to indemnify the Trustee and the Authority as provided in this Section 13.3, the Authority and Trustee hereby agree to cooperate with the City in asserting any cause of action that they might individually or as a group have against any third parties with respect to the Projects. Furthermore, in no event will the Authority or Trustee voluntarily settle or consent to the settlement of any proceeding arising out of any claim applicable to the Projects without the written consent of the City Representative and any Security Instrument Issuer, which consent shall not be unreasonably withheld.

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 Indenture) and all fees and charges of Trustee, all references in this Master Lease to said Bonds and Trustee shall be ineffective and neither the Trustee nor the Bondholders shall thereafter have any 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 or any sublessee of the City may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in a 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 hereof, shall remain the sole property of the City or sublessee of the City, as applicable, in which neither the Authority nor the Trustee shall have any interest and may be removed by the City or sublessee of the City, as applicable, at any time; provided, however, that the City or sublessee of the City, as applicable, shall be obligated to repair any damage to the Projects, 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 Indenture, the Security Documents and this Master Lease. Equipment financed with proceeds of the Bonds may not be relocated by the City from the Projects. Any item of such equipment which shall be determined by the City to be no longer usable in connection with the operation of the Projects may be sold by the City after written notice to the Trustee 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 Indenture, this Master Lease, the Security Documents and the security interest created thereunder and hereunder. The parties hereto recognize a \$50,000 aggregate de minimis exception to this Section 13.6 for equipment making up a portion of the Projects.

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 Master 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 Master Lease at the time specified therein, in the absence of an Event of Nonappropriation; 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 days after written notice, specifying such failure and requesting that it be remedied, given to the City by the Trustee, unless the Trustee 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 Trustee shall not unreasonably withhold their 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 a Project; or

(d) The City’s interest in this Master Lease or any part thereof 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 days from the filing or institution thereof; or

(f) Dissolution of the Authority prior to the full repayment of the Series 2023 Bonds.

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 Additional Rentals as provided in Section 6.2 and Section 6.3 of this Master 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 on the part 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 any Event of Default referred to in Section 14.1 of this Master Lease shall have happened and be continuing, subject to the limitations contained in the Indenture and the rights of any Security Instrument Issuer (so long as the Security Instrument Issuer is not in default under its Security Instrument), the Trustee or the Authority with the written consent of the Trustee, shall have the right, at their or its option 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 Projects;
- (b) Exercise any rights or remedies the Trustee may have under the Indenture or the Security Documents; or
- (c) Take whatever action at law or in equity may appear necessary or desirable to enforce their or its rights in and to the Projects, including, without limitation, the right to terminate the Lease Term.

Upon the occurrence of an Event of Default, the City shall immediately quit and vacate the Projects and its obligation to pay Base Rentals or Additional Rentals hereunder shall terminate. Any moneys 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 Indenture.

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 under this Master Lease, except as expressly provided herein. In the event the security interest created under the Indenture, this Master Lease or the Security Documents shall be foreclosed subsequent to the occurrence of an Event of Default, 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 and the Trustee 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 and the Trustee 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 and the obligation of the Authority shall be limited to amounts legally available therefor.

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 Master Lease shall remain in effect from the date hereof until the termination of the Lease Term as provided in Section 4.2 of this Master 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 registered or certified mail, postage prepaid, addressed as follows: if to the Authority, to: Local Building Authority of the City of Saratoga Springs, Utah, 1307 North Commerce Dr., Saratoga Springs, Utah, 84045, Attention: Chair/President; if to the City, 1307 North Commerce Dr., Saratoga Springs, Utah 84045, Attention: Mayor; if to the Trustee, to: Zions Bancorporation, National Association, One South Main Street, 12th Floor, Salt Lake City, Utah 84133, Attention: Corporate Trust Department. A duplicate copy of each notice, certificate or other communication given hereunder by the Authority and the City shall also be given to the Trustee. The Authority, the City and the Trustee 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 Master 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 2.2(f) and 13.2 of this Master Lease.

Section 15.4. Severability. In the event any provision of this Master Lease (other than the obligation of the City to pay Base Rentals or Additional Rentals) 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 Master 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 the Bond Fund and Debt Service Reserve Fund; Dissolution. It is agreed by the parties hereto that any amounts remaining in the Bond Fund and the Debt Service Reserve Fund upon expiration or sooner termination of the Lease Term, as provided in this Master Lease, after payment in full of the Bonds (or provision for payment thereof

having been made in accordance with the provisions of the Indenture) and the fees and expenses of Trustee and any paying agents in accordance with the Indenture and all other amounts due under the Indenture and payment of all Security Instrument Costs, Security Instrument Repayment Obligations, Reserve Instrument Costs and Reserve Instrument Repayment Obligations, shall belong to and be paid to the City by the Trustee 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 Indenture) and payment in full of other obligations of the Authority, Security Instrument Costs, Security Instrument Repayment Obligations, Reserve Instrument Costs and Reserve Instrument Repayment Obligations any assets and net earnings of the Authority shall be paid to the City in accordance with the Building Authority Act.

Section 15.6. Amendments, Changes and Modifications. Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Master Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee and any Security Instrument Issuer in accordance with provisions of the Indenture.

Section 15.7. Execution in Counterparts. This Master 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 Master 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 Master 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 Master Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Master Lease.

Section 15.11. No Personal Liability. No person executing this Master Lease or any of the Bonds, the Indenture 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 Master 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 Master Lease in its name with its seal hereunto affixed and attested by a duly authorized officer. All of the above occurred as of the date first above written.

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Chair/President

ATTEST AND COUNTERSIGN:

By: _____
Secretary-Treasurer

CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Mayor

ATTEST AND COUNTERSIGN:

By: _____
City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this December ____, 2023, by Jim Miller and Cindy LoPiccolo, respectively the Chair/President and Secretary-Treasurer of the Local Building Authority of the City of Saratoga Springs, Utah.

NOTARY PUBLIC

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this December ____, 2023, by Jim Miller and Cindy LoPiccolo, respectively the Mayor and City Recorder of the City of Saratoga Springs, Utah.

NOTARY PUBLIC

EXHIBIT A

PROJECT DESCRIPTION

The acquisition and construction of city offices and all related improvements.

EXHIBIT B

PROJECT SITE

All real property located, or the land located in Utah County, Utah, described as follows:

EXHIBIT C

FORM OF REQUISITION

RE: The Local Building Authority of the City of Saratoga Springs, Utah Lease Revenue [Refunding] Bonds, Series _____ in the sum or \$_____

Zions Bancorporation, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

You are hereby authorized to disburse from the Series ____ Construction Fund Account with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE:

AMOUNT: \$_____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED (bill or statement of account or summary of expenses to be reimbursed to City attached; partial release from all contractors, subcontractors and suppliers who have provided services or materials to the Series ____ Project on file with the City):

Each obligation, item of cost, or expense mentioned herein has been properly incurred, is a proper charge against [the _____ Subaccount of] the Series ____ Construction Fund Account, has not been the basis for a previous withdrawal, constitutes a Cost of Acquisition and Construction of the Series ____ Project and will be used to acquire, purchase, construct, install or improve the Series ____ Project.

There has not been filed or served upon the Authority or the City, notice of any lien, right to lien, attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named in this Requisition, which has not been released or will not be released simultaneously with such payment, other than materialmen's or mechanics' liens accruing by operation of law which will not be released until final payment is made.

Performance, labor, materials and other bonds as required in the Master Lease have been obtained by each contractor or subcontractor to whom payment is to be made pursuant to this Requisition.

DATED _____

CITY OF SARATOGA SPRINGS, UTAH

By: _____

Its: _____

EXHIBIT D

BASE RENTAL PAYMENT SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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EXHIBIT D

SECURITY DOCUMENTS

WHEN RECORDED, RETURN TO:

Randall M. Larsen
Gilmore & Bell, P.C.
15 W. South Temple, Suite 1450
Salt Lake City, Utah 84101

LEASEHOLD DEED OF TRUST,
ASSIGNMENT OF RENTS
AND
SECURITY AGREEMENT

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (“Deed of Trust”) is made as of _____, 2023, by and among the Local Building Authority of the City of Saratoga Springs, Utah, a nonprofit corporation duly organized under the laws of the State of Utah (“Trustor”) whose address for purposes of this agreement is 1307 N. Commerce Dr., Saratoga Springs, Utah, 84045; and Griffiths & Turner / GT Title Services Inc or Old Republic National Title Insurance Company, whose place of business is [5295 S. Commerce Dr., Suite 150, Salt Lake City, Utah 84107 or 1408 North Westshore Blvd., Suite 900, Tampa, Florida 33607] (“Trustee”) as trustee under this Deed of Trust, and Zions Bancorporation, National Association, whose place of business is One South Main Street, 12th Floor, Salt Lake City, Utah 84133 (the “Beneficiary”), as trustee under a General Indenture of Trust dated as of _____, 2023 (the “General Indenture”) as supplemented by a First Supplemental Indenture of Trust dated as of _____, 2023 (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”) executed in connection with the issuance of the \$ _____ Local Building Authority of the City of Saratoga Springs, Utah, Lease Revenue Bonds, Series 2023 (the “Series 2023 Bonds”).

W I T N E S S E T H:

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, assigns, conveys and warrants to Trustee for the benefit of the Beneficiary, IN TRUST, WITH POWER OF SALE, under and subject to the terms and conditions hereinafter set forth, that estate created by and all right, title and interest of the Trustor as lessee under that certain Ground Lease Agreement dated as of _____, 2023 (the “Ground Lease”), by and between the City of Saratoga Springs, Utah, a body politic (the “City”) as lessor and Trustor as lessee, which Ground Lease demises and leases that property situated in Utah County, Utah described in Exhibit A attached hereto (the “Property”), including, but not limited to, all of Trustor’s right, title and interest in and to all the improvements on said Property and appurtenances. The interests of Trustor in the Property as described in the attached Exhibit A and all of the improvements and appurtenances relating thereto are collectively referred to hereinafter as the “Project”;

TOGETHER WITH all rents, issues, profits, privileges, licenses, royalties, income and other benefits derived from the Project (collectively the “rents”);

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

TOGETHER WITH all right, title and interest of Trustor in and to all options to purchase or lease the Project or any portion thereof or interest thereon, and any greater estate in the Project owned or 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, rights-of-way and rights used in connection with or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto;

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 financed or refinanced with proceeds of the Series 2023 Bonds or 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 Indenture), including but not limited to all machinery, equipment, material, appliances and fixtures now or hereafter installed or placed in said buildings or on the Property, together with all substitutions, replacements and renewals thereof, for the generation or distribution of air, water, heat, electricity, light, fuel or refrigeration or for ventilating or air conditioning purposes or for sanitary or drainage purposes, for the removal of dust, refuse or garbage, and including stoves, ranges, cabinets, laundry equipment, all elevators, awnings, window shades, venetian blinds, drapery rods and brackets, screens, floor coverings, including all rugs and carpets attached to floors, lobby furnishings and incinerators and all other similar items and things; all of the items and things so specified and all other similar items or things, whether now or hereafter placed on the Property, being hereby declared to be, and in all circumstances, shall be construed to be, for and in connection with the purposes and powers of this Deed of Trust, things affixed to and a part of the Project described herein; the specific enumerations herein not excluding the general (the "Improvements"); excepting any personal property or fixtures of any tenant which are not financed or refinanced with proceeds of the Series 2023 Bonds or any Additional Bonds or Refunding Bonds (the Series 2023 Bonds and Additional Bonds and Refunding Bonds are collectively referred to herein as the "Bonds"); and

TOGETHER WITH all the estate, interest, right, title and other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereof, which Trustor now has or may hereafter acquire in the Project, and any and all awards made for the taking from the Trustor by eminent domain, or by any proceeding or purchase in lieu thereof, of 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 Series 2023 Bonds or any Additional Bonds or Refunding 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, including, but not limited to: furnishings, machinery and equipment, together with all substitutions, replacements and renewals thereof.

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 not include: (i) personal property which may be owned by lessees or other occupants of any portion of the Project, rather than by Trustor, or which may be leased by such lessees or other occupants from a party other than Trustor; or (ii) material, equipment, tools, machinery or other personal property which has been brought upon the Project only for use in construction, maintenance or repair and which is not intended to remain after the completion of such construction, maintenance or repair, and which is not necessary for occupancy, maintenance or use of the Project or the improvements thereon, provided, however, that this provision shall not limit Trustor’s right to assert a landlord’s lien against a defaulting tenant.

FOR THE PURPOSES OF SECURING:

(A) (1) Payment of the principal, interest and premium, if any, of the Series 2023 Bonds of Trustor, issued pursuant to the Indenture, 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, on any Additional Bonds or Refunding Bonds issued pursuant to the Indenture, 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; (3) the performance of each agreement of Trustor contained in the Bonds, the Indenture, the Master Lease with respect to the Project 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 this Deed of Trust (including, but not limited to the payments outlined in Sections 1.11 and 1.18 of this Deed of Trust), any other instrument securing payment of the Bonds, the Indenture or the Master Lease, together with interest thereon as provided in the Indenture.

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

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

This Deed of Trust, the Bonds, the Indenture, the Ground Lease, the Master 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 THE SECURITY OF THE LOAN INSTRUMENTS TRUSTOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I

COVENANTS AND AGREEMENTS OF TRUSTOR

Section 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.

Section 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 Indenture and in the Master 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 or requiring any alterations or improvements; not to commit or permit any waste or deterioration of the Trust Estate, to keep and maintain or cause to be kept and maintained, grounds, sidewalks, roads, parking and landscaped areas in good and neat order and repair; not to commit, suffer or permit any act to be done in or upon the Trust Estate in violation of any law, ordinance or regulation. Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this Section 1.2, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

Section 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 Master Lease with respect to the Improvements.

Section 1.4 Payment of Premiums. In the event Trustor fails to provide (as may be evidenced by certificate), maintain, keep in force or deliver and furnish to Beneficiary policies of insurance required by Article IX of the Master 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 Master Lease. Trustor shall, upon Beneficiary's reasonable request,

deposit, or cause to be deposited, with Beneficiary in monthly installments, an amount equal to one-twelfth of the estimated aggregate annual insurance premiums on all policies of insurance required by this Deed of Trust. Trustor further agrees, upon Beneficiary's request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to Beneficiary. Upon receipt of such bills, statements or other documents, and provided Trustor has deposited sufficient funds with Beneficiary pursuant to this Section 1.4, Beneficiary shall pay such amounts as may be due thereunder out of the funds so deposited with Beneficiary. If at any time and for any reason the funds deposited with Beneficiary are or will be insufficient to pay such amounts as 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 amount of funds deposited with Beneficiary pursuant to this Section 1.4.

Section 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 X of the Master 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 Master 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, but subject to the rights of Bondholders under the Indenture.

(c) Except to the extent that insurance proceeds are received by Trustor and applied to the indebtedness secured hereby, pursuant to the Indenture and the Master 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.

Section 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 or the purchaser or grantee of the Trust Estate.

Section 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 or interest 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 to judgment. 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 judgment. 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 this Deed of Trust.

(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.

Section 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-governmental 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 on 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 such 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 as 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 thirty (30) days after the date upon 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 not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and 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 a company satisfactory to Beneficiary.

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

Section 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 or 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.

Section 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 title and attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear.

Section 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 this 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 Indenture) 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 by 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 Indenture.

Section 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 representations, 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.

Section 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 Master Lease.

Section 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.

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

Section 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.

Section 1.17 Inspections. Beneficiary, or his 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.

Section 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 a violation of this Section 1.18 if payment is not yet due under the contract which is the foundation thereof and if such contract does not postpone payment for more than 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 Indenture and the Master Lease or this Deed of Trust will be materially endangered or 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 reasonably 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 any 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 claimed 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.

Section 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 effect 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 or plat thereof; or (iii) join in granting any easement or creating any restriction affecting this Deed of Trust or any agreement subordinating the lien or charge hereof, subject to the rights of Bondholders under the Indenture.

Section 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 of any 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

Section 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 its true and lawful attorney-in-fact, at the option of 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. 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.

Section 2.2 Collection Upon Default. Upon any event of default under any of the Loan Instruments, and after the passage of any applicable grace period, Beneficiary may, at any time without notice, either in person, by agent or by a 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, subject to the rights of Bondholders under the Indenture. The collection of rents, issues and profits, or the entering upon and taking possession of the Trust Estate, or the application thereof as aforesaid, shall not cure or waive any default, notice of 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 such 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

Section 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 Code of Utah, all at Beneficiary's sole election, subject to the rights of Bondholders, under the Indenture. The mention in any such Financing 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 or rights to income growing out of the use and/or occupancy of the premises shall never be construed 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 the Federal Government, must be filed in the Uniform Commercial Code records.

Section 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 Master Lease and except for the security interest granted hereby. Trustor will notify Beneficiary of, and 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 Master 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

Section 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 9.1 of the Indenture, or 14.1 of the Master 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.

Section 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 9.2 of the General Indenture and the same shall thereupon become due and payable without presentment, demand, protest or notice of any kind. Thereafter Beneficiary may exercise any or all of the following remedies, or any other remedies which Beneficiary is entitled to under any of the Loan Instruments or applicable law:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of 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, subject to the rights of the Bondholders under the Indenture. 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 of the Loan Instruments or by law upon occurrence of 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.

Section 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 also notify the City of the Event of Default and of the City's right, within 90 days following its receipt of such notice, to exercise its option and purchase the Project as more fully outlined in Section 9.2 of the General Indenture and Article XII of the Master Lease. If the City fails to exercise such option and purchase the Project on or prior to the expiration of such 90-day period, the Trustee shall proceed as follows:

(a) 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 or 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 Trustor.

(b) After deducting all costs, fees and expenses of Trustee and of this trust, including, but not limited to, attorney fees and costs, 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 Indenture; 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 any 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 time and place last appointed for the sale.

Section 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 proceeding 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.

Section 4.5 Appointment of Receiver. If any event of default described in Section 4.1 of this Deed of Trust shall have occurred and be continuing, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then 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 Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers 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 rights under this Section 4.5 shall be in addition to, and not a limitation of, Beneficiary's rights under Section 2.2 and 4.2(a) of this Deed of Trust.

Section 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 obligations 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 and any other security now or hereafter held by Beneficiary or Trustee 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 of them may be 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.

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

ARTICLE V

MISCELLANEOUS

Section 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.

Section 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 shall never be liable for unearned interest on the Bonds and shall never be required to pay interest on the Bonds at a rate in excess of 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 the 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.

Section 5.3 Statements by Trustor. Trustor, within ten (10) days after receiving a request from the Beneficiary, will furnish to Beneficiary a written statement stating 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.

Section 5.4 Reconveyance by Trustee. Portions of the Property may be released by the Trustee upon compliance with the provisions of Section 11.6 of the Master Lease. 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."

Section 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 if the same is delivered by personal service or 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 any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

Section 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.

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

Section 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 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 Estate pursuant to the provisions hereof, any leases or subleases then

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 act 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.

Section 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 to exercise remedies against the Trustor in accordance with this Deed of Trust are subject to the terms and provisions of the Indenture and the Master Lease, in particular but not limited to Article XIV of the Master Lease and Article IX of the General Indenture. Additionally, no deficiency judgment upon foreclosure may be entered against the City of Saratoga Springs, Utah, the State of Utah or any of its political subdivisions.

Section 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.

Section 5.11 Severability. The terms and provisions of this Deed of Trust are intended to be performed 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.

Section 5.12 Substitution of Property. The property relating to the Ground Lease and that is the subject of this Deed of Trust may be substituted upon (i) delivery of a new Exhibit A hereto, (ii) delivery of any amendment hereto required by any such substitution and (iii) satisfaction of the conditions set forth in Section 14.4(b) of the Ground Lease.

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

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Jim Miller, Chair/President

ATTEST AND COUNTERSIGN:

By: _____
Cindy LoPiccolo, Secretary-Treasurer

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On December ____, 2023, the foregoing instrument was acknowledged before me by Jim Miller and Cindy LoPiccolo, the Chair/President and Secretary-Treasurer, respectively, of the Local Building Authority of the City of Saratoga Springs, Utah.

Notary Public

EXHIBIT A

PROPERTY

The real property located in Utah County, Utah, described as follows:

WHEN RECORDED, RETURN TO:

Randall Larsen
Gilmore & Bell, P.C.
15 W. South Temple, Suite 1450
Salt Lake City, Utah 84101

ASSIGNMENT OF GROUND LEASE AGREEMENT

THIS ASSIGNMENT, made and entered into this _____, 2023, by the LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH a Utah nonprofit corporation, whose address is 1307 N. Commerce Dr, Saratoga Springs, Utah, 84045 (the “Assignor”), to and in favor of ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association, having its principal office in Salt Lake City, Utah (the “Trustee”), as Trustee under a General Indenture of Trust dated as of _____, 2023, by and between the Assignor and the Trustee (the “General Indenture”), as further supplemented by a First Supplemental Indenture of Trust, dated as of _____, 2023 (the “First Supplemental Indenture,” and together with the General Indenture, the “Indenture”).

WITNESSETH:

FOR VALUE RECEIVED, Assignor hereby grants, transfers and assigns to Trustee all the right, title and interest of Assignor in and to that certain Ground Lease Agreement (the “Ground Lease”) dated as of _____, 2023, between Assignor, as lessee, and the City of Saratoga Springs, Utah, as lessor, which Ground Lease demises the real property located in Utah County, State of Utah, more particularly described in Exhibit A attached hereto and by this reference made a part hereof

FOR THE PURPOSE OF SECURING:

(A) The payment and performance of each and every obligation of Assignor contained in the Indenture and in Assignor’s Lease Revenue Bonds, Series 2023, and any Additional Bonds or Refunding Bonds (as defined in the Indenture) (collectively, the “Bonds”); and

(B) The payment of all sums expended or advanced by Trustee pursuant to the terms of this Assignment and the Indenture, or any instrument further evidencing or securing any obligation secured hereby, together with interest thereon as therein provided.

TO PROTECT THE SECURITY OF THIS ASSIGNMENT, ASSIGNOR AGREES:

(1) To faithfully abide by, perform and discharge every obligation, covenant and agreement of the Ground Lease to be performed by the lessee thereunder; at the sole cost and expense of Assignor, to enforce or secure the performance of every obligation, covenant, condition and agreement of the Ground Lease to be performed by the lessor thereunder; not to modify, extend or in any way alter the terms of the Ground Lease without the prior written consent of Trustee.

Assignor also agrees not to waive or in any manner release or discharge the lessor thereunder of or from the obligations, covenants, conditions and agreements to be performed by lessor.

(2) Not to declare the Ground Lease terminated nor to exercise any other right available to it upon breach by the lessor thereunder, without the prior written consent of Trustee.

(3) At Assignor's sole cost and expense, to appear in and defend any action or proceedings arising under, growing out of or in any manner connected with the Ground Lease or the obligations, duties or liabilities of lessor and lessee thereunder.

(4) That should the Assignor fail to make any payment or to do any act as herein provided, then Trustee, but without obligation so to do and without notice to or demand on Assignor, and without releasing Assignor from any obligation hereof, may make or do the same in such manner and to such extent as Trustee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Trustee, and also the right to perform and discharge each and every obligation, covenant and agreement of Assignor contained in the Ground Lease.

IT IS MUTUALLY AGREED THAT:

(1) Upon or any time after default by Assignor in the payment of any indebtedness secured hereby or in the performance of any obligation, covenant or agreement herein or in said Indenture, Trustee may declare all sums secured hereby immediately due and payable, and may, at its option, without notice, either in person or by agent with or without bringing any action or proceedings, or by a receiver to be appointed by a court, enter upon, take possession of, manage and operate said demised premises or any part thereof; make, cancel, enforce or modify leases; do any acts which Trustee deems proper to protect the security hereof, and either with or without taking possession of said property, in its own name sue for or otherwise collect and receive such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon any indebtedness secured hereby, and in the order set forth in the Indenture. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, and the application thereof as aforesaid shall not cure or waive any default or waive, modify, or effect notice of default under any instrument secured hereby or invalidate any act done pursuant to such notice. The remedies of the Trustee herein shall be subject to the limitations set forth in Article IX of the General Indenture.

Any default by Assignor in the performance of any obligation, covenant or agreement herein contained and the acceleration of the indebtedness secured hereby shall constitute and be deemed to be a default under the terms of the Indenture.

(2) Trustee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the Ground Lease, or under or by reason of this Assignment.

(3) Until the indebtedness secured hereby shall have been paid in full, Assignor covenants and agrees to transfer and assign to Trustee any and all subleases upon all or any part of said demised premises upon the same or substantially the same terms and conditions as are

herein contained, and to make, execute and deliver to Trustee, upon demand, any and all instruments that may be necessary therefor.

(4) Upon the payment in full of all indebtedness secured hereby, this Assignment shall become and be void and of no effect.

(5) This Assignment applies to, inures to the benefit of, and binds the parties hereto, their successors, and assigns.

(6) All notices, demands, or documents of any kind which Trustee may be required or may desire to serve upon Assignor hereunder, may be served by delivering the same to Assignor personally or by leaving a copy of such notice, demand or document addressed to Assignor at the address set forth in the beginning of this Assignment, or by depositing a copy of such notice, demand or document in the United States mail, postage prepaid, and addressed to Assignor at Assignor's address.

(7) Notwithstanding anything to the contrary contained herein, no deficiency judgment upon any foreclosure may be entered against the Assignor, the City of Saratoga Springs, Utah, the State of Utah or any of its political subdivisions.

EXECUTED as of the day and year first above written.

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Jim Miller, Chair/President

ATTEST:

By: _____
Cindy LoPiccolo, Secretary-Treasurer

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION

By: _____

Title: _____

CONSENT TO ASSIGNMENT

The City of Saratoga Springs, Utah, as lessor under the Ground Lease hereby consents to the assignment by the Local Building Authority of the City of Saratoga Springs, Utah, of its interest in the Ground Lease to the within mentioned Trustee to secure the within described Indenture and Bonds.

Executed as of the day and year first above written.

CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Jim Miller, Mayor

ATTEST:

By: _____
Cindy LoPiccolo, City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On December ____, 2023, the foregoing instrument was acknowledged before me by Jim Miller and Cindy LoPiccolo, the Chair/President and Secretary-Treasurer, respectively, of the Local Building Authority of the City of Saratoga Springs, Utah.

Notary Public

(SEAL)

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

On December____, 2023, the foregoing instrument was acknowledged before me by Linda Anderson, a trust officer of Zions Bancorporation, National Association.

Notary Public

(SEAL)

EXHIBIT A

All real property located, or the land located in Utah County, Utah, described as follows:

EXHIBIT E
GROUND LEASE

WHEN RECORDED, RETURN TO:

Randall M. Larsen
Gilmore & Bell, P.C.
15 W. South Temple, Suite 1450
Salt Lake City, Utah 84101

GROUND LEASE AGREEMENT

Dated as of _____, 2023

between

LOCAL BUILDING AUTHORITY
OF THE CITY OF SARATOGA SPRINGS, UTAH, AS LESSEE

A Nonprofit Corporation Organized Under the Laws
of the State of Utah

and

CITY OF SARATOGA SPRINGS CORPORATION, AS LESSOR

A Body Politic
of the State of Utah

THIS GROUND LEASE AGREEMENT (this “Ground Lease”) dated as of _____, 2023, entered into by and between the LOCAL BUILDING AUTHORITY OF THE CITY OF SARATOGA SPRINGS, UTAH (the “Authority”), as lessee hereunder, a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Utah, and also acting as grantor under a certain General Indenture of Trust of even date herewith, and the CITY OF SARATOGA SPRINGS CORPORATION (the “City”), as lessor hereunder, a body politic duly existing under the laws of the State of Utah;

WITNESSETH:

WHEREAS, the City is the owner in fee simple of the real property described in the attached Exhibit A (the “Property”); and

WHEREAS, at the request of the City, the Authority desires to issue its Lease Revenue Bonds, Series 2023, in the aggregate principal amount of \$_____ (the “Series 2023 Bonds”) for the purpose of (a) financing the acquisition and construction of city offices and all related improvements (the “Series 2023 Project”) and (b) paying costs of issuance of the Series 2023 Bonds; and

WHEREAS, the Authority desires to lease, as ground lessee, from the City the real property described as Exhibit A attached hereto (the “Property”) upon which the Series 2023 Project will be located; and

WHEREAS, the City desires to lease the Property, as ground lessor, to the Authority under the terms and provisions set forth in this Ground Lease; and

WHEREAS, under the provisions of a resolution dated October 17, 2023, the City has authorized and approved (i) the execution of this Ground Lease, (ii) a Master Lease Agreement dated as of _____, 2023 (the “Master Lease”) between the City and the Authority, wherein the Authority will lease to the City the Series 2023 Project and (iii) certain actions to be taken by the Authority in connection with the financing of the Series 2023 Project, including the issuance by the Authority of the Series 2023 Bonds under a General Indenture of Trust and a First Supplemental Indenture of Trust each dated as of _____, 2023 (together, the “Indenture”), each between the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”); and

WHEREAS, pursuant to the provisions of a resolution dated October 17, 2023, the Governing Board of the Authority has authorized, approved and directed the execution of this Ground Lease, has authorized and approved the execution of the Master Lease, the Indenture and the other Security Documents (as defined in the Indenture) and has authorized, approved and directed certain actions to be taken by the Authority in connection with the financing of the Series 2023 Project, including the issuance of the Series 2023 Bonds:

NOW, THEREFORE, for and in consideration of the premises and the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Terms defined in the above recitals shall have the same meaning when used herein. Unless the context otherwise requires or unless otherwise specified herein, all terms defined in Article I of the General Indenture, Article I of the First Supplemental Indenture and Article I of the Master Lease shall have the same meaning where used in this Ground Lease. In addition, unless the context otherwise requires, the terms defined in this Article I shall, for purposes of this Ground Lease, have the meaning herein specified.

“Event of Default” means one or more events of default as defined in Section 12.1 of this Ground Lease.

“Ground Lease Term” means the duration of the leasehold estate created in the Property as provided in Article IV of this Ground Lease.

“Property” has the meaning ascribed thereto in the recitals to this Ground Lease.

“Rentals” means the rental payments payable by the Authority hereunder.

“State” means the State of Utah.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) The City is a duly existing political subdivision and body corporate and politic 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 Ground Lease and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this Ground Lease.

(b) The City warrants that it holds the fee simple interest in the Property and that all the Property is free from any encumbrances other than Permitted Encumbrances.

Section 2.2 Representations, Covenants and Warranties of the Authority. The Authority represents, covenants and warrants for the benefit of the City and the Trustee as follows:

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

(b) The Authority will take no action or fail to take any action, which action or failure to act would constitute a default under the Master Lease or this Ground Lease.

ARTICLE III

DEMISING CLAUSE

The City hereby demises and leases the Property to the Authority and the Authority leases the Property from the City, subject only to Permitted Encumbrances, in accordance with the provisions of this Ground Lease, to have and to hold for the Ground Lease Term unless sooner terminated as expressly provided herein.

ARTICLE IV

GROUND LEASE TERM

Section 4.1 Commencement of Ground Lease Term. The Ground Lease Term shall commence as of the date of issuance of the Series 2023 Bonds and shall terminate on _____, unless sooner terminated in accordance with the provisions of Section 4.2 hereof.

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

(a) The expiration of the Ground Lease Term as provided in Section 4.1 hereof;
or

(b) The conveyance of the Series 2023 Project to the City under the provisions of Section 12.1 of the Master Lease.

Section 4.3 Option to Renew Ground Lease. Notwithstanding anything contained elsewhere herein to the contrary, in the event the capital actually invested (as defined in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated, 1953, as amended) by the Authority in improvements constructed upon the Property has not been fully repaid by the City at the expiration of the term of this Ground Lease, or upon an Event of Nonappropriation or Event of Default as described in Sections 6.6 and 14.1 respectively of the Master Lease, the Ground Lease shall automatically be renewed on the same terms and conditions as set forth herein, for an additional term sufficient to repay said capital, which term, when added to the number of years for which this Ground Lease has theretofore been in effect, shall not exceed forty (40) years.

ARTICLE V

ENJOYMENT OF PROPERTY

Subject to the provisions of the Master Lease, the City hereby covenants to provide the Authority during the Ground Lease Term with quiet use and enjoyment of the Property and the Authority shall during the Ground Lease Term peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the City, except as expressly set forth herein. The City shall not interfere with such quiet use and enjoyment during the Ground Lease Term so long

as no Event of Default shall have occurred. The City shall at the request of the Authority join in any legal action in which the Authority asserts its right to such possession and enjoyment, to the extent that the City may lawfully do so. In addition, the Authority may at its own expense join in any legal action affecting its possession and enjoyment of the Property and shall be joined in any action affecting its liabilities hereunder.

The City shall have the right at all reasonable times during business hours to enter into and upon the Property for the purpose of inspecting the same.

ARTICLE VI

PAYMENTS BY THE AUTHORITY

The Authority shall pay Rental Payments to the City in the sum of Forty Dollars (\$40.00) (being one dollar (\$1) per year for a maximum of 40 years), which amount represents the total Rental Payments due hereunder during the Ground Lease Term (including all renewal option periods). The parties hereto hereby acknowledge that said Rental Payments have been paid in full on the date hereof in lawful money of the United States of America at the principal office of the City Council of the City. The City and the Authority hereby determine and agree that the Rental Payments payable hereunder during the Ground Lease Term, together with other good and valuable consideration received by the City under and pursuant to the Master Lease, represent reasonable rental for the use of the Property. In making such determination, the City and the Authority have given consideration to the current value of the Property, the execution by the City and the Authority of the Master Lease and the rentals payable thereunder, the financing by the Authority of the Series 2023 Project, the uses and purposes for which the Series 2023 Project will be employed by the City, the benefit to the citizens of the City by reason of the improvement of the Series 2023 Project and the use and occupancy of such facilities pursuant to the terms and provisions of the Master Lease.

ARTICLE VII

NONSUBORDINATION OF THE CITY'S INTEREST

The Authority intends to finance the Series 2023 Project by the issuance of the Series 2023 Bonds in accordance with the provisions of the Master Lease and Indenture; however, it is understood and agreed that only the Authority's leasehold interest in the Property will be used as security for the payment of the principal, premium, if any, and interest on such Series 2023 Bonds. Consequently, it is understood and agreed by and between the City and the Authority that the City has not subordinated, and shall not be required to subordinate, its interest in and to the Property to secure such financing. However, it is hereby acknowledged that improvements constructed on the Property, including but not limited to the Series 2023 Project, will or may be used as security for the Series 2023 Bonds. In addition, it is understood that the Authority intends to assign its interest, as lessee, in and to this Ground Lease to the Trustee to secure the Series 2023 Bonds. The City hereby consents to such assignment.

ARTICLE VIII

TITLE; LIMITATIONS ON ENCUMBRANCES

Section 8.1 Title to the Property and the Series 2023 Project. Subject to the leasehold interest created hereby, title to the Property shall at all times be held in the name of the City. Except personal property purchased by the City at its own expense, title to the Series 2023 Project and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Authority. The City shall have no right, title or interest in the Series 2023 Project or any additions and modifications thereto or replacements thereof, except its reversionary rights by law as lessor and except as expressly set forth herein and in the Master Lease. On termination of this Ground Lease, the City shall become the title owner of all improvements affixed to the Property, including the Series 2023 Project. The Authority agrees to execute such documents on termination of this Ground Lease as are required to convey said improvements to the City as herein provided.

Section 8.2 No Encumbrance, Mortgage or Pledge. Neither the Authority nor the City shall directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, except for Permitted Encumbrances as defined in the Master Lease.

Section 8.3 Encumbrance of Leasehold Interest. The Authority may encumber by mortgage or deed of trust, and may convey, assign or sublease, its leasehold interest and estate in the Property, alone or together with its interests in the Series 2023 Project as a whole, for the benefit of the holders of the Series 2023 Bonds. The execution of any such mortgage, deed of trust, assignment or other instrument or the foreclosure thereof or any sale thereunder, either by judicial proceeding or by virtue of any power reserved in such mortgage, deed of trust, assignment or conveyance by the Authority for the benefit of the holders of the Series 2023 Bonds, or the exercising of any right, power or privilege set forth therein, shall not be held as a violation of any of the terms or conditions hereof. The assignee or grantee of any conveyance or assignment of the Authority may, at its option, at any time before the rights of the Authority have been terminated as provided herein, pay any of the Rentals due hereunder or pay any taxes and assessments, or do any other act or thing required of the Authority by the terms hereof, or do any act or thing which may be necessary or proper to be done in the observance of the covenants and conditions thereof, or to prevent the termination hereof; all payments so made, and all things so done and performed by such party or entity shall be effective to prevent a forfeiture of the rights of the Authority hereunder as the same would have been if done and performed by said Authority.

ARTICLE IX

MAINTENANCE, TAXES AND OTHER CHARGES

Section 9.1 Maintenance of the Property by the Authority. In the event that the Ground Lease Term extends beyond the date of termination of the Master Lease, the Authority agrees that at all times during the Ground Lease Term the Authority will maintain, preserve and keep the Property or cause the Property to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition and that the Authority will from time to time make or cause to be made all necessary and proper repairs, replacements

and renewals with respect to the Property, so that it will continue to be suitable for use as contemplated by the Master Lease.

Section 9.2 Other Governmental Charges and Utility Charges. In the event that the Ground Lease Term extends beyond the date of termination of the Master Lease and in the event that the Property 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 Property, the Authority shall pay an amount 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 Authority shall be obligated to pay such amounts only for such installments as are required to be paid during the Ground Lease Term. In the event that the Ground Lease Term extends beyond the date of termination of the Master Lease, the Authority shall also pay 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 Property.

The Authority may, at the expense and in the name of the Authority, 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. In the event that the Authority shall fail to pay any of the foregoing items required by this Section 9.2 to be paid by the Authority, the City may (but shall be under no obligation to) pay the same, which amounts, together with interest thereon at the rate of ten percent (10%) per annum, the Authority agrees to pay.

ARTICLE X

CONDEMNATION; DESTRUCTION

If during the Ground Lease Term, title to, or the temporary or permanent use of the Property or any 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, the Authority and the City shall cooperate in the collection and disposition of the proceeds of condemnation such that the net proceeds of such condemnation allocable to the Property and to the Authority's leasehold interest in the Property created hereunder shall be deposited and utilized by the Trustee in accordance with the provisions of the Master Lease and the Indenture and the net proceeds of such condemnation allocable solely to the City's reversionary interest in the Property will be payable to the City. Except as otherwise provided in the Master Lease, if during the Ground Lease Term, the Series 2023 Project or any material portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty, the Net Proceeds of any insurance policy shall be deposited and utilized by the Trustee in accordance with the provisions of the Master Lease and the Indenture.

ARTICLE XI

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

Section 11.1 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 Property hereby leased or intended so to be, or for carrying out the intention hereof.

Section 11.2 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 Trustee shall be authorized to act on any such approval or request.

Section 11.3 Requirements of Law. During the Ground Lease Term, the City and the Authority shall observe and comply promptly with all laws, ordinances, orders, rules and regulations of the federal, state, county and city governments and of all courts or other governmental authorities having jurisdiction over the Series 2023 Project or any portion thereof and of all their respective departments, bureaus and officials, and of the insurance regulatory agencies having jurisdiction over the Series 2023 Project, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Series 2023 Project or any portion thereof, whether the same are in force at the commencement of the Ground Lease Term or may in the future be passed, enacted or directed.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default Defined. The following shall be an “Event of Default” under this Ground Lease: failure by the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority and the Trustee by the City, unless the City shall agree in writing to an extension of time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the City shall not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the Authority or the Trustee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section are subject to the following limitations: if, by reason of force majeure, the Authority shall be unable in whole or in part to carry out any agreement on its part herein contained, the Authority shall not be deemed in default during the continuance of such inability. The Authority agrees, however, to remedy with all reasonable

dispatch the cause or causes preventing the Authority from carrying out its agreement; provided, however, that the settlement of strikes, lockout and other industrial disturbances shall be entirely within the discretion of the Authority, and the Authority 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 Authority unfavorable to the Authority. A copy of any notice required by this Section shall also be provided to the Trustee.

Section 12.2 Remedies on Default. Whenever any Event of Default referred to in Section 12.1 of this Ground Lease shall have happened and be continuing, the City, shall have the right, at its option without any further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Ground Lease.

Section 12.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City 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 City to exercise any remedy reserved in this Article XII, it shall not be necessary to give any notice, other than such notice as may be required in this Article XII.

Section 12.4 Agreement to Pay Attorney's Fees and Expenses. In the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for 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 nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party, to the extent that such attorney's 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 12.4 shall be subject to the availability of City Funds and the obligation of the Authority shall be subject to the legal availability of such funds.

Section 12.5 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.

Section 12.6 No Termination of Ground Lease Term. Notwithstanding the remedies provided above, the Ground Lease Term of this Ground Lease may not be terminated prior to the end of the Ground Lease Term described in Article IV hereof by reason of an Event of Default hereunder.

ARTICLE XIII

INSURANCE, INDEMNIFICATION AND ENVIRONMENTAL MATTERS

Section 13.1 Insurance. The Authority hereby covenants and agrees to at all times provide, maintain and keep in force or cause to be kept in force such insurance as set forth in Article IX of the Master Lease with respect to the Series 2023 Project.

Section 13.2 Reserved.

Section 13.3 Workers' Compensation Coverage. Unless the City is otherwise required to carry such insurance pursuant to the Master Lease, at all times from the date hereof until the end of the Master Lease Term, the Authority shall maintain, or cause to be maintained, workers' compensation coverage with respect to officers, agents and employees of the Authority working in, on or about the Series 2023 Project, including coverage for occupational diseases.

Section 13.4 Indemnification Covenants. To the extent of the net proceeds of the insurance coverage of the Authority, the Authority shall and hereby agrees to indemnify and save the City 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 Series 2023 Project during the Lease Term from: (i) any condition of the Series 2023 Project and (ii) any act or negligence of the Authority or of any of its agents, contractors or employees or any violation of law or the breach of any covenant or warranty hereunder. To the extent of available moneys as set forth above, or in the event the Authority is self-insured, or the insurance coverage has a deductible amount, then from moneys to be appropriated under budget proceedings for future years, if such appropriations are then made, the Authority shall indemnify and save the City harmless, 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 City, shall defend it in any action or proceeding.

In exchange for the Authority's agreement to indemnify the City as provided in this Section, the City hereby agrees to assert any cause of action that it might individually have against any third parties for the benefit of the Authority. Furthermore, in no event will the City voluntarily settle or consent to the settlement of any proceeding arising out of any claim applicable to the Series 2023 Project without the written consent of the Authority.

Section 13.5 Environmental Matters. The City hereby makes the following covenants, warranties, representations and promises with respect to the Property for the benefit of the Authority, the Trustee and the owner of the Bonds:

(a) The City will comply with any and all applicable federal, State, and local laws, rules, regulations or orders with respect to the discharge and remediations of any hazardous or toxic wastes, and shall pay, to the extent permitted by law and solely from and to the extent of City Funds (as defined in the Master Lease) at its sole cost and expense when due, the cost of any future reasonable and appropriate remediations of any such

wastes, and shall take appropriate steps to keep the Property free of any lien imposed pursuant to such laws, rules, regulations or orders.

(b) In the event that the Environmental Protection Agency, any agency of the State, or any other federal, State or local governmental agency should rightfully initiate any action for the remediation of any “hazardous substance,” as that term is defined in Title 42 of the United States Code, Section 9601(14), from the Property, the City hereby agrees, to the extent permitted by law and solely from and to the extent of City Funds, to indemnify and hold harmless the Authority, the Trustee and the owners of the Bonds from any liability, costs and expenses, including reasonable attorney’s fees, incurred in such action.

(c) To the best knowledge of the City and after reasonable investigation, the Property does not contain any hazardous or toxic substances, wastes or materials as defined in any applicable federal, State or local laws or regulations.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, Local Building Authority of the City of Saratoga Springs, Utah, 1307 North Commerce Drive, Saratoga Springs, Utah, 84045, Attention: Chair/President; if to the City, 1307 North Commerce Drive, Saratoga Springs, Utah, 84045, Mayor; and if to the Trustee, as provided in the Master Lease. The Authority, the City and the Trustee, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14.2 Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns.

Section 14.3 Severability. In the event any provision of this Ground 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.

Section 14.4 Amendments, Changes and Modifications. (a) Except as provided in subsection (b) below, subsequent to the issuance of the Series 2023 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Ground Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of Trustee.

(b) Other real property (the “Substitute Property”) may be substituted for the real property that is the subject to this Ground Lease, the description of which is contained on Exhibit A hereto, as long as the following conditions are satisfied:

(i) a property description of the Substitute Property shall be delivered to the Authority and the Trustee and a new Exhibit A containing a legal description of the Substitute Property shall be attached hereto;

(ii) a title insurance policy satisfying the requirements of Section 2.4(c)(v)(A) of the General Indenture shall be delivered to the Trustee;

(iii) a certificate signed by a City Representative to the effect that the Substitute Property is suitable for use as a city hall and that the Substitute Property has all means of ingress and egress so that the city hall may be accessed;

(iv) an opinion of the City Attorney of the City addressed to the Trustee and the City to the effect that the provisions of this Section 14.(4)(b) have been satisfied and that any exceptions appearing in the Title Report to the Substitute Property will not interfere with the operation of the Series 2023 Project or impair the marketability of the title to Series 2023 Project or the general security provided for holders of the Series 2023 Bonds issued under the Indenture; and

(v) and all documents relating to the substitution of property shall be properly recorded with the Utah County Recorder.

Section 14.5 Execution in Counterparts. This Ground 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 14.6 Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State.

Section 14.7 Captions. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

Section 14.8 Assignment. This Ground Lease may be assigned and reassigned by the Authority and the Authority's interest in the Property transferred in accordance with the terms hereof and of the Master Lease. This Ground Lease may not be assigned by the City for any reason.

Section 14.9 No Merger. The parties hereto agree that the doctrine of merger shall not operate to destroy or terminate the leasehold interest granted to the Authority under this Ground Lease.

IN WITNESS WHEREOF, the Authority has caused this Ground Lease to be executed with its corporate seal hereunto affixed and attested by its duly authorized officers. The City has executed this Ground Lease in its name with its seal hereunto affixed and attested by its duly authorized officers. All of the above occurred as of the date first above written.

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Chair/President

ATTEST AND COUNTERSIGN:

By: _____
Secretary-Treasurer

CITY OF SARATOGA SPRINGS
CORPORATION

By: _____
Mayor

(SEAL)

ATTEST AND COUNTERSIGN:

By: _____
City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On December ____, 2023, the foregoing instrument was acknowledged before me by Jim Miller and Cindy LoPiccolo, the Chair/President and Secretary-Treasurer, respectively, of the Local Building Authority of the City of Saratoga Springs, Utah.

NOTARY PUBLIC

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On December ____, 2023, the foregoing instrument was acknowledged before me by Jim Miller and Cindy LoPiccolo, the Mayor and City Recorder, respectively, of the City of Saratoga Springs, Utah.

NOTARY PUBLIC

EXHIBIT A

DESCRIPTION OF PROPERTY

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

EXHIBIT F

BOND PURCHASE CONTRACT

BOND PURCHASE CONTRACT

\$_____

Local Building Authority of
the City of Saratoga Springs, Utah
Lease Revenue Bonds, Series 2023

_____, 2023

Local Building Authority of the City of Saratoga Springs, Utah
1307 N. Commerce Drive
Saratoga Springs, Utah 84045

Saratoga Springs
1307 N. Commerce Drive
Saratoga Springs, Utah 84045

The undersigned, [UNDERWRITER] (the “Underwriter”), on behalf of itself and not as fiduciary or agent for you, offers to enter into this Bond Purchase Contract (the “Purchase Contract”) with the Local Building Authority of the City of Saratoga Springs, Utah (the “Issuer”) and the City of Saratoga Springs, Utah (the “City”) which, upon the acceptance by the Issuer and the City of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon each of you and the Underwriter.

This offer is made subject to your acceptance and approval on or before 11:59 p.m. Utah Time, on the date hereof. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter referred to Official Statement.

ARTICLE I

SALE, PURCHASE AND DELIVERY

Section 1.1. (a) On the basis of the representations, warranties and agreements contained herein and upon the terms and conditions herein set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to sell to the Underwriter, all, but not less than all, of the Issuer’s \$_____ aggregate principal amount of Lease Revenue Bonds, Series 2023 (the “Series 2023 Bonds”), at a purchase price of \$_____ (representing the principal amount of the Series 2023 Bonds, [plus a [net] reoffering premium of \$_____] and less an Underwriter’s discount of \$_____). The Series 2023 Bonds will mature on the dates and in the amounts and bear interest at the rates per annum as set forth in Exhibit A hereto.

(b) The Series 2023 Bonds shall be as described in the Official Statement dated _____, 2023 of the Issuer relating to the Series 2023 Bonds (together with all appendices thereto, the “Official Statement”), shall be issued and secured under and pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and the Local Building Authority Act, Title 17D, Chapter 2,

Utah Code Annotated 1953, as amended (the “Building Authority Act”), and (ii) a General Indenture of Trust (the “General Indenture”), as supplemented by a First Supplemental Indenture of Trust each dated as of _____, 2023 (the “First Supplemental Indenture,” and together with the General Indenture, the “Indenture”), each between the Issuer and Zions Bancorporation, National Association, as trustee (the “Trustee”). The Series 2023 Bonds are secured under the Indenture and the Security Documents (as defined in the Indenture). The Series 2023 Bonds are authorized pursuant to the resolution of the Issuer adopted on October 17, 2023 (the “Resolution”) by the Governing Board of the Issuer (the “Board”) which provides for the issuance of the Series 2023 Bonds and approved pursuant to the resolution of the City (the “Approval Resolution”) adopted by its City Council on October 17, 2023.

(c) The Series 2023 Bonds are being issued for the purpose of (i) financing the acquisition and construction of city offices and all related improvements (the “2023 Project”) and (ii) paying costs associated with the issuance of the Series 2023 Bonds. Pursuant to an annually renewable Master Lease Agreement, dated as of December 1, 2023 (the “Lease”), the 2023 Project will be leased by the City from the Issuer in consideration of the payment of Rentals (as defined in the Lease).

(d) The Indenture, the Lease and the Security Documents (as such terms are defined in the Official Statement), the Series 2023 Bonds, the Resolution, and the Continuing Disclosure Undertaking (defined below) and this Purchase Contract are sometimes referred to collectively herein as the “Transaction Documents.”

(e) The Underwriter agrees to make an initial public offering of the Series 2023 Bonds at the offering prices or yields set forth on the inside front cover page of the Official Statement. Subject to Section 1.2 below, the Underwriter may, however, change such initial offering prices or yields as it may deem necessary, in its discretion, in connection with the marketing of the Series 2023 Bonds and offer and sell the Series 2023 Bonds to certain dealers (including dealers depositing the Series 2023 Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth in the Official Statement. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market prices of the Series 2023 Bonds and (ii) to discontinue such transactions, if commenced, at any time without prior notice.

Section 1.2. (a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2023 Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2023 Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Series 2023 Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) The Issuer will treat the first price at which 10% of each maturity of the Series 2023 Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Series 2023 Bonds. For purposes of this Section, if Series 2023 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2023 Bonds.

(c) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2023 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Series 2023 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2023 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2023 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Series 2023 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2023 Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Series 2023 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2023 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2023 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2023 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2023 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(d) The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2023 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023 Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Series 2023 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2023 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2023 Bonds.

(e) The Underwriter acknowledges that sales of any Series 2023 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2023 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2023 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2023 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2023 Bonds to the public),

(iii) a purchaser of any of the Series 2023 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.

Section 1.3. (a) By acceptance and approval of this Purchase Contract, the Issuer and the City hereby authorize the use of copies of the Official Statement. The Issuer and the City hereby agree to provide to the Underwriter within seven (7) business days of the date hereof an electronic copy of the Official Statement in form sufficient to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board. The City has heretofore “deemed final” the Preliminary Official Statement for purposes of paragraph (b)(1) of Rule 15c2-12 and the Issuer and the City acknowledge and ratify the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Series 2023 Bonds.

(b) In order to assist the Underwriter in complying with paragraph (b)(5) of Rule 15c2-12, the City will undertake, pursuant to a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”), to be dated as of the Closing Date to provide annual reports and notices of certain events. A form of the Continuing Disclosure Undertaking is set forth as APPENDIX D to the Preliminary Official Statement and will also be set forth as APPENDIX D to the Official Statement.

Section 1.4. At approximately 9:00 a.m., Utah time, on _____, 2023, or on such later date as shall be agreed upon in writing by the Issuer, the City, and the Underwriter, the Issuer and the City will cause the Series 2023 Bonds to be delivered to or for the account of the Underwriter in definitive form, duly executed and authenticated, at such place designated by the Underwriter and will deliver to the Underwriter the other documents herein mentioned at the offices of Gilmore & Bell, P.C., 15 West South Temple, Suite 1450, Salt Lake City, Utah, or such other location as may be mutually agreed upon by the Issuer, the City, and the Underwriter. The closing date of _____, 2023, is herein referred to as the “Closing Date.” The Underwriter will accept such delivery and pay the purchase price of the Series 2023 Bonds as set forth in paragraph 1.1(a) hereof by wire transfer, payable in federal funds or other immediately available funds to the order of the Trustee (such delivery and payment are herein called the “Closing”). The Series 2023 Bonds shall be initially issued in the form of one fully registered Bond for each maturity of the Series 2023 Bonds, shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), and shall be made available to DTC or its agent for the account of the Underwriter in New York, New York (or such other place designated by the Underwriter).

ARTICLE II

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF ISSUER

By its acceptance hereof, the Issuer represents and warrants to and covenants with the Underwriter that:

Section 2.1. The Issuer shall provide such information, access to its properties and appropriate records and other cooperation, as may be reasonably requested until 25 days after the “end of the underwriting period” (as defined in Rule 15c2-12) (which underwriting period the Issuer may assume to have ended on the Closing Date unless notified to the contrary by the

Underwriter) as, in the opinion of the Underwriter, may be required in connection with the offering of the Series 2023 Bonds.

Section 2.2. The Issuer is a nonprofit corporation created by the City Council of the City pursuant to the Building Authority Act and the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended (the “Nonprofit Corporation Act”). The Issuer has full power and authority (a) to adopt the Resolution; (b) to execute, deliver and perform its obligations under each of the Transaction Documents to which it is a party; (c) to execute, issue, sell and deliver the Series 2023 Bonds to the Underwriter for the purposes contemplated by the Preliminary Official Statement and as provided herein; (d) to own the Projects and to lease the Projects to the City pursuant to the Lease; and (e) to carry out and to consummate the transactions on its part contained in the Transaction Documents and the Official Statement, to pledge and assign to the Trustee the Trust Estate (as defined in the Indenture), and to create a security interest in the Projects to secure the payment of the Series 2023 Bonds and all Additional Bonds and Refunding Bonds pursuant to the Indenture.

Section 2.3. The Board of the Issuer has duly adopted the Resolution, has duly authorized and approved the execution and distribution of the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in the Transaction Documents and the Purchase Contract.

Section 2.4. The adoption of the Resolution, the execution and delivery of the Transaction Documents, the compliance by the Issuer with the provisions of any or all of the foregoing documents, and the application of the proceeds of the Series 2023 Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the material breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the Issuer is a party or by which the Issuer or any of its property is or may be bound.

Section 2.5. The Issuer has duly authorized all necessary action to be taken by it for the adoption of the Resolution; the issuance and sale of the Series 2023 Bonds by the Issuer upon the terms and conditions set forth herein and in the Official Statement and the Transaction Documents; and the execution, delivery and receipt of the Transaction Documents, and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the excludability from gross income for federal income tax purposes of interest on the Series 2023 Bonds.

Section 2.6. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Issuer or others (a) affecting the existence of the Issuer or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2023 Bonds or the revenues or assets of the Issuer mortgaged, appropriated, encumbered or pledged pursuant to the Indenture; (c) in any way contesting or affecting the validity or enforceability of the Series

2023 Bonds or any of the Transaction Documents or the transactions contemplated thereby; (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (e) contesting the powers of the Issuer or any authority for the issuance of the Series 2023 Bonds or the execution and delivery of any of the Transaction Documents to which the Issuer is a party.

Section 2.7. When delivered to and paid by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, the Series 2023 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special limited obligations of the Issuer in conformity with, and entitled to the benefit and security of the Indenture.

Section 2.8. The Issuer is not in breach of or in default under any material existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is bound; and the execution and delivery of the Series 2023 Bonds and the Transaction Documents to which the Issuer is a party, and this Purchase Contract, and compliance with the provisions thereof, will not conflict with or constitute a material breach or a default under any law, administrative regulation, judgment, decree, loan agreement, mortgage, indenture, deed of trust, note, resolution, agreement or other instrument to which the Issuer or its property is or may be bound.

Section 2.9. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Transaction Documents, or which could have a material adverse effect on the financial condition of the Issuer, receipt by the Issuer of the Base Rentals or the transactions contemplated by the Transaction Documents, or have a material adverse effect on the validity or enforceability in accordance with their respective terms of the Transaction Documents or this Purchase Contract or in any way adversely affect the existence or any powers of the Issuer or the titles of its officers to their respective positions or the excludability from gross income for federal income tax purposes of interest on the Series 2023 Bonds.

Section 2.10. The information contained in the Preliminary Official Statement was as of its date, and is, as of the date hereof, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not be deemed to cover or apply to (x) information provided to the Issuer in writing by the Underwriter and included on the inside front cover page of the Preliminary Official Statement or the Official Statement regarding the principal amount, interest rates, maturities and initial public offering prices of the Series 2023 Bonds or (y) statements in the Preliminary Official Statement or the Official Statement under the captions “THE SERIES 2023 BONDS—Book-Entry System,” “UNDERWRITING,” APPENDIX B, APPENDIX C, or APPENDIX F.

Section 2.11. The Issuer has full power and authority to receive and utilize the Base Rentals in accordance with the Indenture.

Section 2.12. The Issuer will not take or omit to take any action which will in any way cause the proceeds from the sale of the Series 2023 Bonds to be applied or result in such proceeds being applied in a manner inconsistent with the Transaction Documents.

Section 2.13. The Issuer hereby authorizes the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offering and sale of the Series 2023 Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Series 2023 Bonds.

Section 2.14. The Issuer agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Series 2023 Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Issuer shall not be required with respect to the offer or sale of the Series 2023 Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Issuer hereby consents to the use of the Official Statement by the Underwriter in obtaining such qualification.

Section 2.15. If, between the date of this Purchase Contract and 25 days following the “end of the underwriting period” (which the Issuer can assume is the Closing Date unless otherwise notified in writing by the Underwriter), any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Contract by notification to the Issuer and the City at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Series 2023 Bonds.

Section 2.16. The Issuer has duly adopted the Resolution and approved the execution of the Transaction Documents to which it is a party and, as of the Closing Date, each will be in full force and effect and, as of the Closing Date, neither the Resolution nor any of the Transaction Documents to which it is a party will have been amended, supplemented, rescinded, repealed or otherwise modified except with the approval of the Underwriter.

Section 2.17. When executed by the respective parties thereto, this Purchase Contract and the Transaction Documents will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms except that the rights and obligations under the Transaction Documents, and this Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’

rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of Utah.

Section 2.18. The Issuer has complied, and will at the Closing for the Series 2023 Bonds be in compliance in all respects, with the obligations on its part contained in the Transaction Documents and this Purchase Contract and any and all other agreements relating thereto.

Section 2.19. Each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Underwriter at or before the Closing for the Series 2023 Bonds shall constitute a representation, warranty, or agreement by the Issuer upon which the Underwriter shall be entitled to rely.

Section 2.20. Other than the Series 2023 Bonds, the Issuer has not otherwise pledged or assigned or granted a security interest in the Trust Estate to the payment of any obligations of the Issuer.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE CITY

In order to induce the Underwriter to enter into this Purchase Contract, with full realization and appreciation of the fact that the investment value of the Series 2023 Bonds and the ability of the Issuer to sell and the Underwriter to resell the Series 2023 Bonds are dependent upon the credit standing of the City and in consideration of the foregoing and execution and delivery of this Purchase Contract, the City represents and warrants to and covenants with the Underwriter as follows:

Section 3.1. The City is and will be at the Closing Date a validly organized and existing municipal corporation under the laws of the State of Utah with full power and authority to execute, deliver and perform its obligations under the Transaction Documents to which it is a party, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein;

Section 3.2. The execution and delivery of each of the Transaction Documents to which the City is a party, the approval by the City of this Purchase Contract and adoption of the Approval Resolution, and compliance by the City with the provisions of any or all of the foregoing documents and the application of the proceeds of the Series 2023 Bonds for the purposes described in the Preliminary Official Statement do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the City is a party or by which the City or any of its property is or may be bound;

Section 3.3. The City has duly authorized all necessary action to be taken by it for: (a) the issuance and sale of the Series 2023 Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement and in the Indenture and the approval of this Purchase Contract; and (b) the execution, delivery and receipt of each of the Transaction Documents to

which the City is a party, and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the City in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement;

Section 3.4. When executed by the respective parties thereto, the Transaction Documents to which the City is a party will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms;

Section 3.5. The City has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Transaction Documents to which the City is a party and any and all other agreements relating thereto;

Section 3.6. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the City or others (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2023 Bonds or the revenues or assets of the City appropriated or pledged or to be appropriated or pledged to pay the Base Rentals payable under the Lease or the pledge or appropriation thereof, (c) the validity or enforceability of the Series 2023 Bonds or any of the Transaction Documents, (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or (e) contesting the powers of the City or any authority for the issuance of the Series 2023 Bonds, or the execution and delivery of any of the Transaction Documents or the transactions contemplated thereby;

Section 3.7. The City is not in breach of or default under any applicable law or administrative regulation of the State of Utah or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the City is a party or to which it or any of its property is otherwise subject; and the execution and delivery of the Series 2023 Bonds and the Transaction Documents to which the City is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, note, resolution, agreement or other instrument to which the City is a party or to which it or any of its property is otherwise subject;

Section 3.8. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the Transaction Documents in any manner or to any extent which could have a material adverse effect on the financial condition of the City, the operation of the City, the due performance by the City of its obligations in connection with the issuance, sale and delivery of the Series 2023 Bonds, or the ability of the City to carry out the transactions contemplated by this Purchase Contract and the Preliminary Official Statement, or have an adverse effect on the validity or enforceability, in accordance with their respective terms, of the Series 2023 Bonds or any of the Transaction Documents or in any way adversely affect the existence or powers of the City;

Section 3.9. The City has never failed to pay principal and interest when due on any of its bonded indebtedness or other obligations nor has the City ever failed to appropriate sufficient amounts to timely pay any of its lease obligations;

Section 3.10. The City's audited financial statements as of and for the year ended June 30, 2023, a copy of which has heretofore been delivered to the Underwriter, present fairly the financial position of the City at June 30, 2023 and the results of its operations and changes in financial position for the year then ended; any other statements and data submitted in writing by the City to the Underwriter in connection with the Lease and this Purchase Contract are true and correct in all material respects as of their respective dates; except as described in the Official Statement, since June 30, 2023 there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in the audited financial statements as of and for the year ended that date, and the City has not since June 30, 2023 incurred any material liabilities, directly or indirectly, whether or not arising in the ordinary course of its operations;

Section 3.11. The information contained in the Preliminary Official Statement relating to the City, the application of the proceeds of sale of the Series 2023 Bonds, and the participation by the City in the transactions contemplated by the Transaction Documents and the Preliminary Official Statement was, as of its date, and is, as of the hereof, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not be deemed to cover or apply to (x) information provided in writing by the Underwriter and included on the inside front cover page of the Official Statement regarding the principal amount, interest rates, maturities and initial public offering prices of the Series 2023 Bonds or (y) statements in or omissions in the Preliminary Official Statement or the Official Statement under the captions "THE SERIES 2023 BONDS—Book-Entry Only System," "UNDERWRITING," APPENDIX B, APPENDIX C, or APPENDIX F.

Section 3.12. The City will not take or omit to take any action that will in any way cause the proceeds from the sale of the Series 2023 Bonds to be applied or result in such proceeds being applied in a manner inconsistent with the Lease and the Indenture;

Section 3.13. The City hereby authorizes the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offering and sale of the Series 2023 Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Series 2023 Bonds;

Section 3.14. The City agrees reasonably to cooperate with the Underwriter in any endeavor to qualify the Series 2023 Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City shall not be required with respect to the offer or sale of the Series 2023 Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The City hereby consents to the use of the Official Statement and the Transaction Documents by the Underwriter in obtaining such qualification;

Section 3.15. If at any time from the date of this Purchase Contract through twenty five (25) days following the “end of the underwriting period” (as defined in Rule 15c2-12) any event shall occur that might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will request that the Issuer supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is so supplemented or amended prior to the Closing, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Contract, and if the Official Statement is amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Contract by notification to the City and the Issuer at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Series 2023 Bonds;

Section 3.16. Each representation, warranty or agreement stated in any certificate signed by any officer of the City and delivered to the Underwriter or the Trustee at or before the Closing shall constitute a representation, warranty or agreement by the City upon which the Underwriter and the Trustee shall be entitled to rely.

Section 3.17. Any instances of non-compliance by the City within the last five years with each undertaking it has entered into pursuant to Rule 15c2-12, have been properly disclosed by the City in the Preliminary Official Statement and the Official Statement.

ARTICLE IV

UNDERWRITER’S CONDITIONS

Section 4.1. The Underwriter has entered into this Purchase Contract in reliance upon the performance by the Issuer of its obligations hereunder. The Underwriter’s obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing for the Series 2023 Bonds, (1) the Transaction Documents shall be in full force and effect and shall not have been revoked, rescinded, repealed, amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (2) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion

of Gilmore & Bell, P.C., bond counsel to the Issuer (“Bond Counsel”), shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate its obligations hereunder by written notice to the Issuer if, at any time subsequent to the date hereof and on or prior to the Closing Date for the Series 2023 Bonds:

(i) (A) Legislation shall have been enacted by the Congress, introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (B) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (C) an order, ruling, regulation, or communication (including a press release) shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or (D) any action shall be taken or statement made by or on behalf of the President of the United States or the Department of Treasury or the Internal Revenue Service or any member of the United States Congress which indicates or implies that legislation will be introduced in the current or next scheduled session of the United States Congress, with the purpose or effect, directly or indirectly, of requiring the inclusion in gross income for federal income tax purposes of interest to be received by any owners of the Series 2023 Bonds or financial instruments similar in nature to the Series 2023 Bonds; or

(ii) Legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of the Underwriter, has the effect of requiring the offer or sale of the Series 2023 Bonds or financial instruments similar in nature to the Series 2023 Bonds to be registered under the Securities Act or any other “security,” as defined in the Securities Act, issued in connection with or as part of the issuance of the Series 2023 Bonds to be so registered or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended; or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes or has made untrue or incorrect in any respect any statement or information contained in the Official Statement or is not or was not reflected in the Official Statement but should be or should have been reflected therein in order to make the statements or information contained therein not misleading in any material respect; or

(iii) In the reasonable judgment of the Underwriter, it is impractical or inadvisable for the Underwriter to market or sell or enforce agreements to sell Series 2023 Bonds because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or a general banking moratorium shall have been established by federal or the State of Utah authorities or a material disruption in commercial banking or securities settlement or clearance services shall have occurred, or (B) the State of Utah shall have taken any action, whether

administrative, legislative, judicial or otherwise, which would have a material adverse effect on the marketing or sale of the Series 2023 Bonds, including any action relating to (i) the tax status of the Series 2023 Bonds under federal or Utah law as set forth in the opinion of Bond Counsel attached as APPENDIX E to the Official Statement, or (ii) a limitation on the ability of the Issuer to receive the Base Rentals, or (C) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise; or (D) a war involving the United States of America shall have been declared or any other conflict involving the armed forces of the United States of America has escalated, in either case to such a magnitude as to materially adversely affect the Underwriter's ability to market the Series 2023 Bonds; (E) there shall have occurred the declaration of a general banking moratorium by any authority of the United States or the States of New York or Utah or if any material disruption in commercial banking or securities settlement or clearance services shall have occurred; or

(iv) Any financial rating assigned to the Series 2023 Bonds or any other obligations of the Issuer by S&P Global Ratings ("S&P"), Fitch Ratings ("Fitch"), or Moody's Investors Service ("Moody's"), as the case may be, shall have been downgraded, withdrawn, or any other action taken, and such action, in the opinion of the Underwriter, has a material adverse effect on the marketability of the Series 2023 Bonds; or

(v) Any litigation shall be instituted, pending or threatened (A) to restrain or enjoin the issuance, sale or delivery of the Series 2023 Bonds, (B) to restrain or enjoin, or otherwise seek recovery of damages with respect to the receipt by the Issuer of the Base Rentals, (C) in any way contesting or affecting any authority for or the validity of the Series 2023 Bonds, any of the proceedings of the Issuer, the City, or the Trustee taken with respect to the issuance or sale thereof, the pledge, appropriation or application of any moneys or securities provided for the payment of the Series 2023 Bonds, or (D) in any way contesting or affecting the existence or powers of the Issuer or the Trustee or the titles of their officers to their respective offices; or

(vi) Any other event or circumstances shall have occurred which shall be beyond the reasonable control of the Underwriter and, in the opinion of the Underwriter, might in any way have a material adverse effect on the marketability of the Series 2023 Bonds.

(c) At or prior to the Closing for the Series 2023 Bonds, the Underwriter shall receive the following:

(i) The approving opinion of Gilmore & Bell, P.C., Bond Counsel, dated the Closing Date, in substantially the form attached as APPENDIX E to the Official Statement;

(ii) The opinion of Gilmore & Bell, P.C., as disclosure counsel, dated the Closing Date and addressed to the Underwriter, in standard form for similar transactions;

(iii) Opinions of the office of the City Attorney of the City, as counsel for the Issuer and the City, in standard form for similar transactions and satisfactory to Bond Counsel and the Underwriter;

(iv) The Issuer's certificate, dated the Closing Date, signed by the President of the Issuer and the Secretary of the Issuer and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the Issuer herein are true and correct in all material respects as of the Closing Date as if made on the Closing Date; (B) except as disclosed in the Official Statement, no litigation is pending or, to the best of their knowledge, threatened against the Issuer (i) to restrain or enjoin the issuance or delivery of any of the Series 2023 Bonds or the collection of moneys pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Series 2023 Bonds or the adoption of the Resolution or the execution and delivery of the Transaction Documents to which the Issuer is a party, the validity or enforceability of the Series 2023 Bonds, or the excludability from gross income for federal income tax purposes of interest on the Series 2023 Bonds, (iii) in any way contesting the organization, existence or powers of the Issuer or the titles of its officers to their respective offices, or (iv) contesting or attempting to restrain or enjoining the application of the proceeds thereof or the payment, collection or application of the moneys pledged under the Indenture or the pledge of the moneys pledged under the Indenture, or of other moneys, rights and interests pledged pursuant to the Indenture or the adoption of the Resolution; (C) the descriptions and information contained in the Official Statement relating to the Issuer, its organization and financial and other affairs, the Projects and the application of the proceeds of sale of the Series 2023 Bonds are correct in all material respects, as of the date of the Official Statement and as of said Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of said Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (F) the Transaction Documents to which the Issuer is a party have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents to which the Issuer is a party constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies; (G) the Resolution authorizing the execution and delivery of the Transaction Documents to which the

Issuer is a party has been duly adopted and has not been modified, amended or repealed; and (H) the execution and delivery of the Transaction Documents to which the Issuer is a party, and this Purchase Contract and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or any law, public administrative rule or regulation, court order or consent decree to which the Issuer is subject;

(v) The City's certificate, dated the Closing Date, signed by the Mayor of the City and the City Recorder of the City and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the City herein are true and correct in all material respects as of the Closing Date as if made on the Closing Date; (B) except as disclosed in the Official Statement, no litigation is pending or, to the best of their knowledge, threatened against the City (i) to restrain or enjoin the issuance or delivery of any of the Series 2023 Bonds or the collection of moneys pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Series 2023 Bonds or the adoption of the Approval Resolution or the execution and delivery of the Transaction Documents to which the City is a party, the validity or enforceability of the Series 2023 Bonds, or the excludability from gross income for federal income tax purposes of interest on the Series 2023 Bonds, (iii) questioning or challenging any power of the City, including its ability to levy taxes, or (iv) in any way contesting the organization, existence or powers of the City or the titles of its officers to their respective offices, or (v) contesting or attempting to restrain or enjoining the application of the proceeds thereof or the payment, collection or application of the moneys pledged under the Indenture or the pledge of the moneys pledged under the Indenture, or of other moneys, rights and interests pledged pursuant to the Indenture or the adoption of the Approval Resolution; (C) the descriptions and information contained in the Official Statement relating to the City, its organization and financial and other affairs, the Projects, and the application of the proceeds of sale of the Series 2023 Bonds are correct in all material respects, as of the date of the Official Statement and as of said Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of said Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) no event affecting the City has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (F) the Transaction Documents to which the City is a party have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents to which the City is a party constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting

creditors' rights and by the availability of equitable remedies; (G) the Approval Resolution authorizing the execution and delivery of the Transaction Documents to which the City is a party has been duly adopted and has not been modified, amended or repealed; and (H) the execution and delivery of the Transaction Documents to which the City is a party, and this Purchase Contract and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the City is a party or any law, public administrative rule or regulation, court order or consent decree to which the City is subject;

(vi) A copy of each of the Transaction Documents, duly executed by each of the parties thereto;

(vii) A copy of the Tax Certificate of the Issuer and the City, relating to matters affecting the excludability from gross income for federal income tax purposes of interest on the Series 2023 Bonds, including the use of proceeds of sale of the Series 2023 Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(viii) Evidence that the federal tax information form 8038-G has been prepared for filing;

(ix) A copy of each of the Preliminary Official Statement and copies of the Official Statement;

(x) Evidence satisfactory to the Underwriter that the Series 2023 Bonds have received ratings of “__” and “__” from S&P [and ____, respectively];

(xi) All documents, certificates and opinions required by the Indenture; and

(xii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter, and the Underwriter shall have the right to waive any condition set forth in this Section.

ARTICLE V

EXPENSES

All expenses and costs in connection with the authorization, issuance and sale of the Series 2023 Bonds to the Underwriter, including rating agency fees, the costs of printing of the Series 2023 Bonds, the costs of printing the Official Statement and the Preliminary Official Statement,

advertising costs, the initial fees of the Trustee in connection with the issuance of the Series 2023 Bonds, the fees and expenses of Bond Counsel, the fees and expenses of counsel to the Issuer, the fees and expenses of Zions Public Finance Inc. as the municipal advisor to the Issuer, the premiums relating to title policies for the 2023 Project, and travel and other expenses shall be costs and expenses of the Issuer and shall be paid by the Issuer.

ARTICLE VI

GENERAL

Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to [UNDERWRITER], [ADDRESS], [Salt Lake City, Utah 84101]; Attention: _____. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to Local Building Authority of the City of Saratoga Springs, Utah, 1307 N. Commerce Drive, Saratoga Springs, Utah 84045, Attention: Chair/President, with a copy thereof to Issuer's counsel, Kevin Thurman, 1307 N. Commerce Drive, Saratoga Springs, Utah 84045. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City of Saratoga Springs, 1307 N. Commerce Drive, Saratoga Springs, Utah 84045, Attention: Mayor, with a copy thereof to the City's counsel Kevin Thurman, 1307 N. Commerce Drive, Saratoga Springs, Utah 84045.

This Purchase Contract is made solely for the benefit of the Issuer and the Underwriter (including its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties, covenants and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of and payment of the Series 2023 Bonds hereunder and regardless of any investigation made by the Underwriter or on its behalf.

This Purchase Contract shall be governed by the laws of the State of Utah.

This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Issuer and the City acknowledge and agree that (i) the purchase and sale of the Series 2023 Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction among the Issuer, the City and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer or the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer or the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer or the City on other matters) and the Underwriter has no obligation to the Issuer or the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and (v) the Issuer and the City consulted their own legal,

financial and other advisors to the extent they deemed appropriate in connection with the offering of the Series 2023 Bonds.

This Purchase Contract contains the entire agreement between the parties relating to the subject matter hereof, and all previous representations, endorsements, promises, agreements or understandings, oral, written or inferred, between the parties relating to the subject matter hereof are superseded hereby.

This Purchase Contract shall become effective upon the execution by the Underwriter and the acceptance hereof by the Issuer and the City.

Very truly yours,

[UNDERWRITER]

By: _____

Title: _____

LOCAL BUILDING AUTHORITY OF THE CITY
OF SARATOGA SPRINGS, UTAH

By: _____
Chair/President

ATTEST:

By: _____
Secretary

(AUTHORITY SEAL)

THE CITY OF SARATOGA SPRINGS, UTAH

By: _____
Mayor

ATTEST:

By: _____
City Recorder

(CITY SEAL)

EXHIBIT A

\$ _____

LOCAL BUILDING AUTHORITY OF
THE CITY OF SARATOGA SPRINGS, UTAH
LEASE REVENUE BONDS,
SERIES 2023

Maturity Date (_____)	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>Price</u>	Pricing <u>Rule</u>
--------------------------	----------------------------	-------------------------	--------------	--------------	------------------------

[* General Rule Maturities]

[c Yield to optional par call on _____, 20____].

EXHIBIT B

FORM OF
UNDERWRITER'S RECEIPT FOR BONDS
AND ISSUE PRICE CERTIFICATE

\$_____

Local Building Authority of the City of Saratoga Springs, Utah
Lease Revenue Bonds, Series 2023

The undersigned, on behalf of [UNDERWRITER] (the "Original Purchaser"), as the Original Purchaser of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by the Local Building Authority of the City of Saratoga Springs, Utah (the "Issuer"), certifies and represents as follows:

1. Receipt of the Bonds. The Original Purchaser hereby acknowledges receipt of the Bonds pursuant to the Bond Purchase Contract (the "Purchase Contract") by and between the Original Purchaser, the Issuer, and the City of Saratoga Springs, Utah, dated _____, 2023 (the "Sale Date"). The Bonds are issued as fully registered bonds, and are dated, mature on the dates, bear interest at the rates per annum, and are numbered as set forth in the Indenture (as defined in the Purchase Contract.)

2. Issue Price. For purposes of this section the following definitions apply:

"Effective Time" means the time on the Sale Date that the Agreement to purchase the Bonds became enforceable.

"Holding Period" means with respect to each Undersold Maturity the period beginning on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date and time at which the Purchaser has sold at least 10% of that Undersold Maturity of the Bonds to the Public at one or more prices that are no higher than the Initial Offering Price.

"Initial Offering Price" means the price listed on Exhibit A for each Maturity.

"Maturity" means Bonds with the same credit and payment terms; Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriting Firm or a related party to an Underwriting Firm. An Underwriting Firm and a person are related if it and the person are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities

are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other.

“Purchaser” means [UNDERWRITER], on its own behalf and as representative of each Underwriting Firm.

“Undersold Maturity” or “Undersold Maturities” means any Maturity for which less than 10% of the principal amount of Bonds of that Maturity were sold as of the Effective Time.

“Underwriting Firm” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The Purchaser represents as follows:

1. Attached as Attachment 1 is a copy of the pricing wire or similar communication used to communicate the Initial Offering Price of each Maturity to the Public.

2. As of the Effective Time all the Bonds were the subject of an initial offering to the Public.

3. As of the Effective Time none of the Bonds were sold to any person at a price higher than the Initial Offering Price for that Maturity.

4. [[As of the Effective Time there were no Undersold Maturities.]] [[For any Undersold Maturity, during the Holding Period each Underwriting Firm did not offer nor sell Bonds of the Undersold Maturity to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.]

[5. Any separate agreement among any Underwriting Firm related to the sale of an Undersold Maturity during the Holding Period contained the agreement referenced in 4 above.]

[UNDERWRITER]

By: _____

Its: _____

EXHIBIT A – [same as in Bond Purchase Contract]
ATTACHMENT 1 -- Initial Offering Price Documentation
[Attach Pricing Wire or Other Offering Price Documentation]

EXHIBIT G

PRELIMINARY OFFICIAL STATEMENT

This PRELIMINARY OFFICIAL STATEMENT and the information contained herein are subject to completion, amendment, or other change without any notice. Under no circumstances shall this PRELIMINARY OFFICIAL STATEMENT constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

DRAFT PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 4, 2023

NEW ISSUE

Book-Entry Only

Ratings: [“S&P” ____]

See “MISCELLANEOUS—Bond Ratings” herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Local Building Authority of Saratoga Springs, Utah under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2023 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2023 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the 2023 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” herein.

Local Building Authority of Saratoga Springs, Utah
\$29,555,000* Lease Revenue Bonds, Series 2023
payable from lease payments to be made, subject to annual appropriations by
Saratoga Springs, Utah
pursuant to a Master Lease

The \$29,555,000* Lease Revenue Bonds, Series 2023 (the “2023 Bonds”), are issued by the Local Building Authority of Saratoga Springs as fully-registered bonds and, when initially issued, will be in book-entry form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, which will act as securities depository for the 2023 Bonds.

Principal of and interest on the 2023 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2024) are payable by Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See “THE 2023 Bonds—Book-Entry System” herein.

The 2023 Bonds are subject to optional redemption prior to maturity; may be subject to mandatory sinking fund redemption at the option of the successful bidder(s); and are subject to extraordinary optional redemption (in the event of damage to, or destruction, seizure, or condemnation to the 2023 Project) prior to maturity. See “THE 2023 PROJECT—The 2023 Project Financed With The Bonds” and “THE 2023 BONDS—Redemption Provisions For The 2023 Bonds” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” herein.

The 2023 Bonds are being issued for the purpose of (i) financing the acquisition, construction and equipping of a new city hall; (ii) purchasing related equipment and improvements; and (iii) paying the costs associated with the issuance of the 2023 Bonds. The 2023 Bonds, as described herein, will be the initial bonds in an expected ongoing master lease and building program whereby all Bonds issued thereunder are equally and ratably secured under the Indenture. See “THE 2023 BONDS—Estimated Sources And Uses Of Funds” and “THE 2023 PROJECT” herein.

Pursuant to the Master Lease, Saratoga Springs has agreed to pay Base Rentals which are sufficient to pay principal of and interest on the 2023 Bonds, coming due in each year, but only if and to the extent that the City appropriates funds sufficient to pay the Base Rentals plus such Additional Rentals as are necessary to operate and maintain the Project. The Master Lease specifically provides that nothing therein shall be construed to require the City to appropriate any moneys to pay the Base Rentals or Additional Rentals and the City is not obligated to pay such Rentals except to the extent appropriated. ***Neither the obligation of the City to pay such Rentals nor the obligation of the Authority to pay the principal of and interest on the 2023 Bonds will constitute a debt, general obligation, or liability of, or a charge against the general credit or taxing power of the State of Utah or the City. The issuance of the 2023 Bonds does not directly or contingently obligate the City to pay any Rentals beyond those appropriated for the City’s then current Fiscal Year. The Authority has no taxing power.***

The purchase of the 2023 Bonds involves certain investment risks which are discussed throughout this OFFICIAL STATEMENT. Certain of such risks are described under “INVESTMENT CONSIDERATIONS” herein.

Dated: Date of Delivery¹

Due: December 1, as shown on inside cover

See the inside front cover for the maturity schedule of the 2023 Bonds

The 2023 Bonds will be awarded pursuant to competitive bidding received by means of the PARITY[®] electronic bid submission system on Thursday, November 16, 2023, as set forth in the OFFICIAL NOTICE OF BOND SALE (dated the date of this PRELIMINARY OFFICIAL STATEMENT).

Zions Public Finance, Inc., Salt Lake City, Utah, is acting as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated November __, 2023, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, December 6, 2023.

Local Building Authority of Saratoga Springs, Utah

\$29,555,000*

Lease Revenue Refunding Bonds, Series 2023

Dated: Date of Delivery¹

Due: December 1, as shown below

<u>Due December 1</u>	<u>CUSIP® xxxxxx</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield/Price</u>
2024		\$ 235,000		
2025		955,000		
2026		1,005,000		
2027		1,055,000		
2028		1,110,000		
2029		1,165,000		
2030		1,225,000		
2031		1,285,000		
2032		1,355,000		
2033		1,425,000		
2034		1,495,000		
2035		1,575,000		
2036		1,655,000		
2037		1,740,000		
2038		1,825,000		
2039		1,905,000		
2040		1,995,000		
2041		2,085,000		
2042		2,180,000		
2043		2,285,000		

**\$_____ % Term Bond due December 1, 20__—Price of _____ %
(CUSIP® ____)**

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, December 6, 2023.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association.

Table Of Contents

	<u>Page</u>		<u>Page</u>
INTRODUCTION.....	1	Establishment And Statutory Powers	17
Public Sale/Electronic Bid	1	Organization	17
The 2023 Bonds.....	2	Debt Issuance Of The Authority	18
The Local Building Authority Of Saratoga Springs, Utah	2	THE 2023 PROJECT	18
Saratoga Springs, Utah	2	The 2023 Project Financed With The Bonds.....	18
Authorization For And Purpose Of The 2023 Bonds; The		The 2023 Project As Security For The Bonds	18
Indenture; Master Lease	2	Cross-Collateralization	18
Security For The 2023 Bonds; Cross Collateralization.....	3	Release of a Project Upon Payment Of Related Series Of	
Additional Bonds And Additional Projects.....	3	Bonds	19
No Debt Service Reserve	3	Maintenance Of The Projects	19
Redemption For The 2023 Bonds	4	SARATOGA SPRINGS, UTAH	19
Tax Matters Regarding The 2023 Bonds	4	Labor Force, Nonfarm Jobs, And Wages within Utah	
Professional Services	4	County	22
Conditions Of Delivery, Anticipated Date, Manner And		Largest Employers.....	25
Place Of Delivery For The 2023 Bonds	4	Rate Of Unemployment—Annual Average.....	26
Risks Inherent In The Ownership Of The 2023 Bonds	4	DEBT STRUCTURE OF SARATOGA SPRINGS, UTAH	26
Continuing Disclosure Undertaking.....	5	Debt Service Schedule of Outstanding Sales Tax Revenue	
Basic Documentation.....	5	Bonds of Saratoga Springs By Fiscal Year (1)	27
Contact Persons	5	Debt Service Schedule of Outstanding Water Revenue	
CONTINUING DISCLOSURE UNDERTAKING	5	Bonds of Saratoga Springs By Fiscal Year (1)	28
Continuing Disclosure Undertaking For 2023 Bonds	5	Debt Service Schedule of Outstanding Sewer Revenue	
INVESTMENT CONSIDERATIONS	6	Bonds of Saratoga Springs By Fiscal Year (1)	29
Limited Obligations	6	Debt Service Schedule of Outstanding Special Assessment	
Non-Appropriation.....	6	Bonds of Saratoga Springs By Fiscal Year (1)	29
General Economic Conditions	7	Overlapping And Underlying General Obligation Debt Of	
No Reserve Fund For The 2023 Bonds.....	7	The City	30
Expiration Or Termination Of The Master Lease	7	Debt Ratios Regarding General Obligation Debt	30
Possible Difficulties In Selling Or Re-letting The Projects.....	7	General Obligation Legal Debt Limit And Additional Debt	
Delays In Exercising Remedies; Limitations On		Incurring Capacity	31
Enforceability.....	8	FINANCIAL INFORMATION REGARDING SARATOGA	
Destruction Of A Project	8	SPRINGS, UTAH	31
[Release Of A Project Upon Payment Of Related Series Of		Fund Structure And Accounting Basis	31
Bonds].....	8	Budget And Appropriation Process	32
Depreciation And Lack Of Residual Value	8	Financial Controls	32
Tax-Exempt Status Of The 2023 Bonds; Continuing		Five-Year Financial Summaries.....	33
Compliance With Certain Covenants	8	Certain Property Tax Matters	37
Changes In City Governance	9	Ad Valorem Property Tax Collection Record	41
Climate Change Risk; Natural Disasters And Global		LEGAL MATTERS.....	42
Health Emergencies	9	Absence Of Litigation Concerning The 2023 Bonds.....	42
SECURITY AND SOURCES OF PAYMENT FOR THE		General	42
2023 BONDS	9	TAX MATTERS.....	43
The Master Lease And The Indenture.....	9	Opinion Of Bond Counsel	43
The Ground Lease And The Security Documents	10	Other Tax Consequences.....	43
Additional Parity Bonds And Refunding Bonds	11	MISCELLANEOUS	44
Insurance On The Projects	11	Bond Ratings	44
No Debt Service Reserve For The 2023 Bonds	11	Trustee	44
NO DEFAULTED AUTHORITY BONDS OR FAILURES		Municipal Advisor.....	45
BY THE CITY TO RENEW LEASE.....	12	Independent Auditors	45
THE 2023 BONDS	12	Additional Information.....	45
General	12	APPENDIX A - EXTRACTS OF THE GENERAL	
Registration, Denominations, Manner Of Payment	12	INDENTURE OF TRUST AND THE MASTER LEASE.....	A-1
Regular Record Date; Transfer Or Exchange Of The 2023		APPENDIX B - ANNUAL COMPREHENSIVE FINANCIAL	
Bonds	12	REPORT OF SARATOGA SPRINGS, UTAH (ACFR) FOR	
Estimated Sources And Uses Of Funds	12	FISCAL YEAR 2022	B-1
Redemption Provisions For The 2023 Bonds	13	APPENDIX C - FORM OF OPINION OF BOND COUNSEL....	C-1
Mandatory Sinking Fund Redemption At Bidder's Option	15	APPENDIX D - FORM OF CONTINUING DISCLOSURE	
Book-Entry System	15	UNDERTAKING.....	D-1
Debt Service On The 2023 Bonds	15	APPENDIX E - BOOK-ENTRY SYSTEM	E-1
LOCAL BUILDING AUTHORITY OF SARATOGA			
SPRINGS, UTAH.....	17		

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2023 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other information or representations must not be relied upon as having been authorized by either the Local Building Authority of Saratoga Springs, Utah (the “Authority”); Saratoga Springs, Utah (the “City”); Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, (as Trustee, Bond Register and Paying Agent); Zions Public Finance Inc., Salt Lake City, Utah (as Municipal Advisor); the successful bidder(s); or any other entity. All information contained herein has been obtained from the Authority, the City, The Depository Trust Company, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery, or exchange of the 2023 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Authority or the City since the date hereof.

The 2023 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Any registration or qualification of the 2023 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2023 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

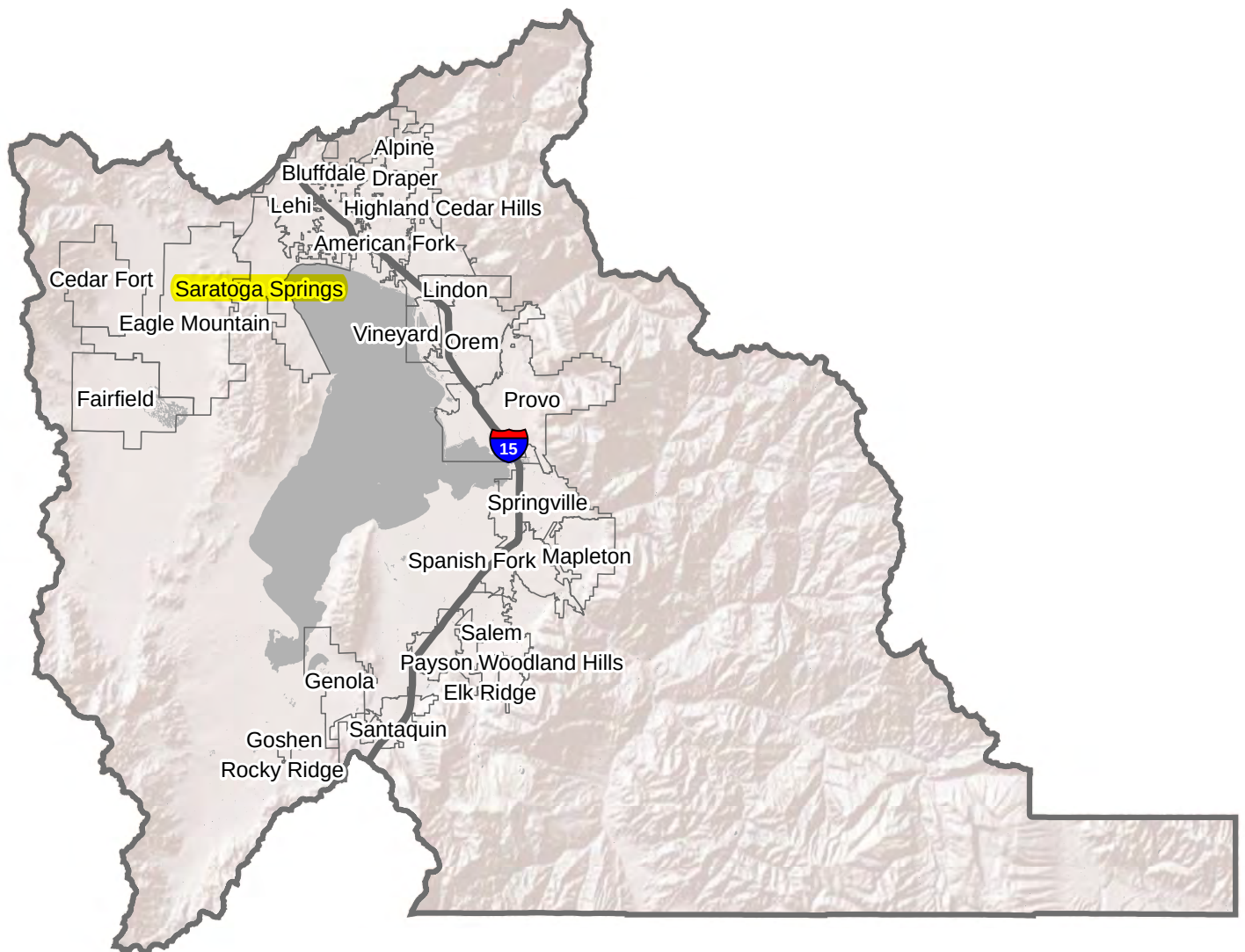
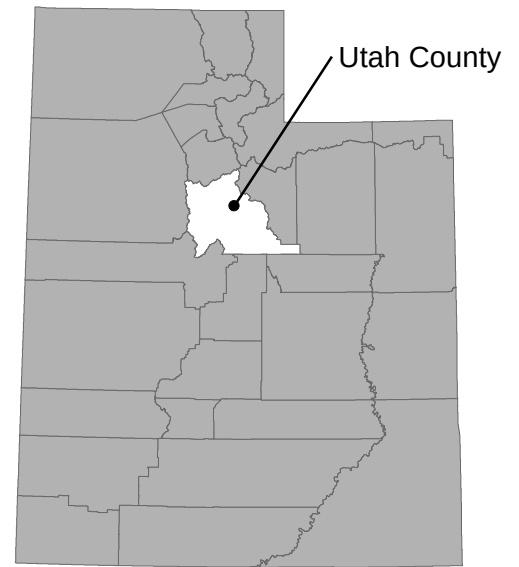
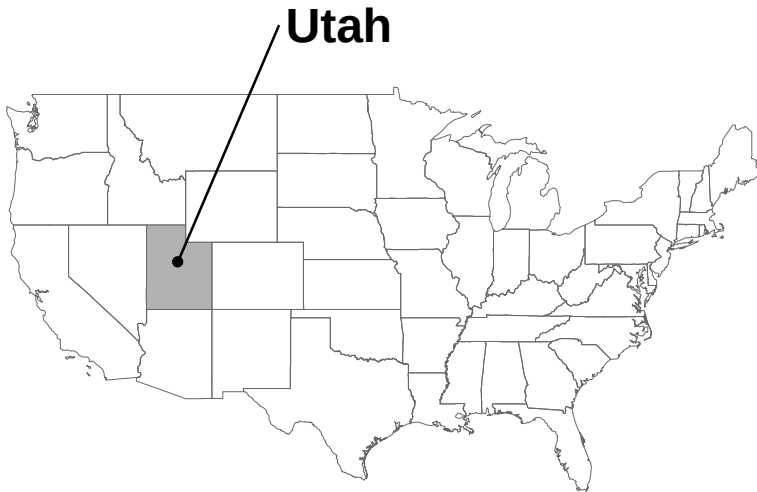
The yields/prices at which the 2023 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2023 Bonds to dealers and others. In connection with the offering of the 2023 Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2023 Bonds. Such transactions may include overallocments in connection with the purchase of 2023 Bonds, the purchase of 2023 Bonds to stabilize their market price and the purchase of 2023 Bonds to cover the successful bidder’s short positions. Such transactions, if commenced, may be discontinued at any time.

Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the Authority nor the City plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover pages of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders. Neither the Authority, Underwriter, or the Municipal Advisor make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Series 2023 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023 Bonds.

The content from websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2023 Bonds and is not a part of this OFFICIAL STATEMENT.

Counties in Utah



Cities in Utah County

OFFICIAL STATEMENT RELATED TO THE
Local Building Authority of Saratoga Springs, Utah

\$29,555,000* Lease Revenue Bonds, Series 2023

payable from lease payments to be made, subject to annual appropriation by

Saratoga Springs, Utah

pursuant to a Master Lease

INTRODUCTION

This introduction is only a brief description of the 2023 Bonds, as hereinafter defined, and the security and source of payment for the 2023 Bonds. The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT, as well as of the documents summarized or described herein.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE;” “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022;” “APPENDIX C—FORM OF OPINION OF BOND COUNSEL;” “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX E—BOOK-ENTRY SYSTEM.”

This OFFICIAL STATEMENT also includes summaries of the terms of the 2023 Bonds, the General Indenture of Trust, the Security Documents, and the Master Lease (all as more fully defined hereinafter). All references herein to the General Indenture of Trust and the Master Lease are qualified in their entirety by reference to such documents and references herein to the 2023 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the General Indenture of Trust, copies of which are available upon request from the contact persons as indicated under “INTRODUCTION—Contact Persons” below. Descriptions of the General Indenture of Trust, the Master Lease, the Security Documents, and the 2023 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. The summaries of and references to all documents, statutes, reports, and other instruments referred to herein do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the General Indenture of Trust or the Master Lease. See “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—The General Indenture of Trust—Definitions” (page A—__).

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year beginning on July 1 and ending on June 30 of the year indicated. When used herein the terms “Calendar Year[s] 20YY”; “Calendar Year[s] End[ed][ing] December 31, 20YY”; or “Tax Year 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated.

Public Sale/Electronic Bid

The 2023 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on Thursday November 16, 2023, as set forth in the OFFICIAL NOTICE OF BOND SALE (dated the date of the PRELIMINARY OFFICIAL STATEMENT).

* Preliminary; subject to change.

See “OFFICIAL NOTICE OF BOND SALE” above.

The 2023 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction, and Appendices (the “OFFICIAL STATEMENT”), provides information in connection with the issuance and sale of \$29,555,000* aggregate principal amount of Lease Revenue Refunding Bonds, Series 2023 (the “2023 Bonds” or “2023 Bond”), by the Local Building Authority of Saratoga Springs, Utah (the “Authority”).

The Local Building Authority Of Saratoga Springs, Utah

The Authority is a nonprofit corporation incorporated, organized and existing pursuant to the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated (the “Utah Code”) 1953, as amended (the “Nonprofit Corporation Act”) and as provided in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code (the “Building Authority Act” and together with the Nonprofit Corporation Act, the “Acts”). The Authority was created pursuant to a resolution adopted by the City Council of Saratoga Springs, Utah for the purpose of acquiring, improving, or extending one or more projects on behalf of the City pursuant to the Building Authority Act. See “LOCAL BUILDING AUTHORITY OF SARATOGA SPRINGS, UTAH” below.

Saratoga Springs, Utah

The City of Saratoga Springs, Utah (the “City”) incorporated in 1997, covers an area of approximately 21 square miles and is in the northern portion of Utah County, Utah (the “County”). The City is located approximately 24 miles northwest of the Provo, Utah. The City had 49,354 residents according to the 2022 U.S. Census estimate. The County is situated in the north central portion of the State of Utah. Incorporated in 1850, the County is bordered on the north by Salt Lake County, Utah and encompasses approximately 2,000 square miles of land. The County had 702,434 residents in 2022 according to the estimates by the U.S. Census Bureau, ranking the County as the second largest populated county in the State. See the location map of the City and County above. See “SARATOGA SPRINGS, UTAH” below.

Authorization For And Purpose Of The 2023 Bonds; The Indenture; Master Lease

Authorization for and Purpose of the 2023 Bonds. The Indenture. The 2023 Bonds are being issued pursuant to: (i) the Acts; (ii) certain authorizing resolutions adopted by the Authority and the City (the “Resolutions”); (iii) a General Indenture of Trust, dated as of [December 1, 2023] (the “General Indenture”) and as further supplemented by a First Supplemental Indenture of Trust, dated as of [December 1, 2023] (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the Authority and Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, as trustee (the “Trustee”).

The 2023 Bonds are being issued for the purpose of (i) financing the acquisition, construction and equipping of a new city hall; (ii) purchasing related equipment and improvements; and (iii) paying costs associated with the issuance of the 2023 Bonds (the “2023 Project” or the “Project”). See “THE 2023 BONDS—Estimated Sources And Uses Of Funds” and “THE 2023 PROJECT—The 2023 Project Financed With Bonds” below.

The 2023 Bonds, as described herein, will be the initial bonds in an expected ongoing master lease and building program whereby all bonds issued under the Indenture are equally and ratably secured (except in the event of damage, destruction or condemnation of the 2023 Project or certain defaults with respect to an uncompleted portion of the 2023 Project) by the 2023 Project and any additional projects constructed through this program (collectively, the “Projects”).

The land upon which the 2023 Project will be located (the “Project Site”) is owned by the City. The Project Site will be ground leased by the City to the Authority pursuant to a Ground Lease Agreement dated as of [December 1, 2023] between the City and the Authority (the “Ground Lease”).

Master Lease. The 2023 Project will be leased by the Authority to the City under an annually renewable Master Lease Agreement dated as of [December 1, 2023] (the “Master Lease”).

* Preliminary; subject to change.

Security For The 2023 Bonds; Cross Collateralization

Security for the 2023 Bonds. The 2023 Bonds are limited obligations of the Authority payable solely from the revenues and other amounts received pursuant to the Master Lease and other funds or amounts held by the Trustee pursuant to the Indenture as security for the 2023 Bonds, subject to certain limitations.

The Authority has granted a security interest in the 2023 Project pursuant to a Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of [December 1, 2023], (the “Leasehold Deed of Trust”). In addition, the Authority has assigned all its rights and interest in the 2023 Project pursuant to an Assignment of Ground Lease Agreement dated as of [December 1, 2023] (the “Assignment of Ground Lease”) for the equal and proportionate benefit of the owners of the Bonds (the “Bondowners”). The Leasehold Deed of Trust, the Assignment of Ground Lease, and any financing statements filed in connection therewith are sometimes collectively referred to herein as the “Security Documents.” The Security Documents are being executed for the equal and proportionate benefit of the Bondholders. The 2023 Bonds are limited obligations of the Authority payable solely from the Base Rentals (defined below) received by the Authority pursuant to the Master Lease and other funds or amounts held by the Trustee under the Indenture as security for the 2023 Bonds.

The City has agreed to make payments pursuant to the Master Lease in stated amounts which are sufficient to pay the principal of and interest on the 2023 Bonds when due (the “Base Rentals”), but only if and to the extent the City Council has appropriated funds sufficient to pay the Base Rentals coming due during each succeeding Renewal Term (as described herein) of the Master Lease plus such additional amounts as are necessary to operate and maintain the Projects during such period (the “Additional Rentals” and collectively, with the Base Rentals, the “Rentals”). The Master Lease specifically provides that nothing therein shall be construed to require the City Council to appropriate any money to pay any Rentals thereunder and that neither the City nor any political subdivision thereof is obligated to pay such Rentals except to the extent of funds appropriated for that purpose. *Neither the obligation of the City to pay Rentals nor the obligation of the Authority to pay the principal of and interest on the 2023 Bonds will constitute or give rise to a debt, a general obligation or liability of, or a charge against the general credit or taxing power of, the City. The issuance of the 2023 Bonds does not directly or contingently obligate the City to pay any Rentals beyond those appropriated for the City’s then current Fiscal Year. The Authority has no taxing power.* See “INVESTMENT CONSIDERATIONS” and “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS” below.

Cross Collateralization. The Indenture and Security Documents create a lien on and a security interest in the 2023 Project for the benefit of the Registered Owners (as defined herein) of the Bonds. Except with respect to extraordinary redemption in the event of damage, destruction, or condemnation (as described under “THE 2023 BONDS—Redemption Provisions For The 2023 Bonds—Extraordinary Redemption In The Event Of Damage, Destruction Or Condemnation”), the 2023 Project is cross-collateralized pursuant to the terms of the Indenture and Security Documents in that the City may not elect to appropriate with respect to one Project or portions of a Project and not appropriate with respect to another Project or portions of another Project without an Event of Nonappropriation occurring under the Master Lease. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS” and “THE 2023 PROJECT—Cross-Collateralization” below.

Additional Bonds And Additional Projects

The Authority may issue additional bonds for refunding outstanding bonds of the Authority (“Refunding Bonds”) or bonds to finance additional Projects for lease to the City (“Additional Bonds”) ranking on a parity basis with the 2023 Bonds under the Indenture on the terms and conditions specified in the Indenture and the Master Lease. Any such Refunding Bonds and Additional Bonds hereafter issued are sometimes collectively referred to herein as the “Additional Parity Bonds.” *The 2023 Bonds and any Additional Parity Bonds issued under the Indenture are sometimes collectively referred to herein as the “Bonds.”* See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS—Additional Parity Bonds And Refunding Bonds” below and “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Additional Bonds.”

If the Authority determines to issue Additional Bonds to finance additional projects (the “Additional Projects”), they will be leased to the City pursuant to the Indenture and Master Lease. However, the Authority may determine to issue additional lease revenue bonds under documents other than the Indenture and the Master Lease.

No Debt Service Reserve Requirement

The Debt Service Reserve Requirement with respect to the 2023 Bonds is \$0 and therefore no account in the Debt Service Reserve Fund has been established for the 2023 Bonds. See “SECURITY AND SOURCE OF PAYMENTS FOR THE 2023 BONDS—No Debt Service Reserve For The 2023 Bonds” below.

Redemption For The 2023 Bonds

The 2023 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). The 2023 Bonds are subject to extraordinary optional redemption (in the event of damage to, or destruction, seizure, or condemnation to the Projects) prior to maturity. See “THE 2023 BONDS—Redemption Provisions For The 2023 Bonds” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” and “THE PROJECTS—The 2023 Project Financed With Bonds” below.

Tax Matters Regarding The 2023 Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Local Building Authority of Saratoga Springs, Utah, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the 2023 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2023 Bonds is exempt from State of Utah individual income taxes.

The 2023 Bonds have not been designated as “qualified tax-exempt obligation” within the meaning of section 265(b)(3) of the Code.

See “TAX MATTERS” herein.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2023 Bonds.

Professional Services

In connection with the issuance of the 2023 Bonds, the following have served the Authority in the capacity indicated.

Trustee, Bond Registrar, Paying Agent

Zions Bancorporation National Association
One S Main St 12th Fl
Salt Lake City UT 84133–1109
801.844.7529
linda.anderson@zionsbancorp.com

City Attorney

Saratoga Springs
1307 North Commerce Drive
Saratoga Springs UT 84045
801.766.9793
kthurman@saratogaspringscity.com

Bond Counsel and Disclosure Counsel

Gilmore & Bell, P.C.
15 W S Temple Ste 1450
Salt Lake City UT 84101
801.258.2722 | f 801.364.5032
rlarsen@gilmorebell.com

Municipal Advisor

Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373
johnathan.ward@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner And Place Of Delivery For The 2023 Bonds

The 2023 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed on for the Authority and the City by Legal Counsel, Kevin Thurman. Certain legal matters regarding this OFFICIAL STATEMENT will be passed on for the Authority by Gilmore & Bell, P.C. It is expected that the 2023 Bonds, in book–entry form, will be available for delivery to DTC or its agent on or about Wednesday, December 6, 2023.

Risks Inherent In The Ownership Of The 2023 Bonds

The purchase of the 2023 Bonds involves certain investment risks which are discussed throughout this OFFICIAL STATEMENT. Accordingly, each prospective purchaser of the 2023 Bonds should make an independent evaluation of all of

the information presented in this OFFICIAL STATEMENT in order to make an informed investment decision. Certain investment risks are described under “INVESTMENT CONSIDERATIONS” below.

Continuing Disclosure Undertaking

The City will enter a disclosure undertaking for the benefit of the Beneficial Owners of the 2023 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Authority, the City, the 2023 Bonds, the Indenture and the Master Lease are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture, the Master Lease, the Ground Leases (the “Ground Lease”), and the Security Documents are qualified in their entirety by reference to such documents, and references herein to the 2023 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. The “basic documentation” which includes the Indenture, the Master Lease, the closing documents, and other documentation, authorizing the issuance of the 2023 Bonds and establishing the rights and responsibilities of the Authority, the City and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”) the Municipal Advisor to the Authority:

Johnathan Ward, Senior Vice President, johnathan.ward@zionsbancorp.com
Jeanette Harris, Vice President, jeanette.harris@zionsbancorp.com
Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133-1109
801.844.7373

As of the date of this OFFICIAL STATEMENT, the contact person for the Authority and the City concerning the 2023 Bonds is:

Mark Christensen/City Manager
markc@saratogaspringscity.com
Saratoga Springs
1307 North Commerce Drive
Saratoga Springs, UT 84045
801.766.9793

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2023 Bonds

The City (as an “obligated person” to the Authority) will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2023 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment, and remedies, are set forth in the form of Disclosure Undertaking in “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

During the five years prior to the date of this OFFICIAL STATEMENT, the Authority has not been subject to the Rule with regard to any prior undertakings.

The City will submit the Fiscal Year 2023 financial report and other operating and financial information for the 2023 Bonds on or before January 31, 2024, and annually thereafter on or before each January 31.

A failure by the City to comply with the Disclosure Undertaking will not constitute a default under the Master Lease or Indenture and the Beneficial Owners of the 2023 Bonds are limited to the remedies described in the Disclosure Undertaking. A failure by the City to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the 2023 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2023 Bonds and their market price.

INVESTMENT CONSIDERATIONS

This section contains a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this OFFICIAL STATEMENT, in evaluating an investment in the 2023 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the 2023 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the 2023 Bonds are advised to consider the following factors, among others, and to review this entire OFFICIAL STATEMENT to obtain information essential to making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could adversely affect the financial condition of the City or its ability to make scheduled payments on the 2023 Bonds. There can be no assurance that other risks not discussed herein will not become material in the future.

Limited Obligations

The 2023 Bonds are payable from amounts due under the Master Lease on a parity basis with all other Bonds that may be outstanding under the Indenture. The City's obligation under the Master Lease does not constitute a general obligation or other indebtedness of the City, the Authority or any agency or political subdivision of the City within the meaning of any constitutional or statutory debt limitation. The Authority has no taxing power.

The Initial Term of the Master Lease will expire on June 30, 2024. The City has the option to extend the term of the Master Lease for consecutive one-year Renewal Terms.

The current Renewal Term of the Master Lease commenced [December 1, 2023] and will expire on June 30, 2024. Unless terminated sooner, this annual renewal option will continue through June 30, 2043, with a final renewal term commencing July 1, 2043, and ending December 1, 2043. Any such extension must be made with respect to all, and not less than all, of the Projects with respect to which Bonds are then outstanding.

Non-Appropriation

There is no assurance the City, in its sole discretion, will exercise its option to extend the term of the Master Lease for any future Renewal Term. Accordingly, the likelihood the City will extend the term of the Master Lease for any Renewal Term and that there will be sufficient funds to pay the principal of, premium, if any, and interest on Bonds as the same become due depends upon a number of factors, including, but not limited to:

(a) the ability of the City to generate sufficient funds from property taxes, and other taxes and other sources of revenue to pay obligations associated with the Master Lease and other obligations of the City (whether now existing or hereafter created); and

(b) the willingness of the City Council in any future year to appropriate moneys to pay the Rentals, which decision of the City Council could be affected by many factors, including the continuing need of the City for the Projects; and

(c) the value of the 2023 Project if relet or sold in a foreclosure or other liquidation proceeding instituted by the Trustee in the event of the termination of the term of the Master Lease if the City Council does not appropriate sufficient funds to extend the term of the Master Lease as provided therein.

Neither the Indenture nor the Master Lease limits the ability of the City to incur additional obligations against its revenues.

General Economic Conditions

Regional and national economic conditions, such as weather-related economic effects, business cycles, unemployment, and consumer confidence, are outside of the control of the Authority and the City and can have material adverse effects on the City's revenues, and its ability to pay Rentals on the Projects. See "FINANCIAL INFORMATION REGARDING SARATOGA SPRINGS, UTAH—Management's Current Discussion And Analysis Of Financial Operations" below

No Debt Service Reserve Fund For The 2023 Bonds

No debt service reserve has been or will be funded to secure the 2023 Bonds issued under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS—No Debt Service Reserve Fund For The 2023 Bonds" below.

Expiration Or Termination Of The Master Lease

In the event the City Council does not renew the term of the Master Lease in any year by appropriating sufficient funds to pay Rentals due thereunder for the succeeding Fiscal Year, the City's obligation to pay Rentals under the Master Lease will terminate on the 30th of June occurring at the end of the then-current Renewal Term. Upon (a) the expiration of any Renewal Term of the Master Lease during which an Event of Nonappropriation occurs or (b) an Event of Default under the Master Lease and an election by the Trustee to terminate the possessory interest of the City under the Lease, the City's right of possession of the Projects under the Master Lease will expire or be terminated, as appropriate.

A Bondowner should not anticipate that it will be possible to foreclose on the Projects and liquidate, relet, or sell the Projects (subject to the Ground Lease) after the occurrence of an Event of Nonappropriation or an Event of Default for an amount equal to the aggregate principal amount of the Bonds then Outstanding plus accrued interest thereon.

Possible Difficulties In Selling Or Re-letting The Projects

In the event that the City's right of possession of the Projects under the Master Lease expires or is terminated for any of the reasons described in the Indenture, the obligation of the City to pay Rentals under the Master Lease will continue through the then-current Renewal Term, but not thereafter, and the 2023 Bonds will be payable from, among other sources, such moneys as may be available by way of recovery from the City of the Rentals which are due through the then-current Renewal Term. As set forth in the Building Authority Act, the Indenture, and the Master Lease, if the City fails to pay any Rentals due to the Authority under the terms of the Master Lease, the City shall immediately surrender, and vacate the Projects, and the rental or lease obligation under the Master Lease shall then cease. Should the Master Lease expire at the end of a Renewal Term without any extension for the next succeeding Renewal Term, or if an event occurs pursuant to which the Trustee terminates the City's right of possession of the Projects under the Master Lease, the Trustee may repossess, complete construction, and relet or sell the affected Projects as provided in the Indenture.

No assurance can be given that the Trustee could relet or sell the Projects for the amount necessary to pay the principal of and the interest due on the 2023 Bonds. The Projects constitute facilities to be used in connection with the operation of the City and may not be readily usable by other types of tenants. See "THE 2023 PROJECT" below. The net proceeds of any reletting or sale of the Projects, together with certain other moneys then held by the Trustee under the Indenture, if any, are required to be used to pay the Bonds to the extent of such moneys. No assurance can be given as to the amount of funds available from any such source for the payment of the aggregate principal amount of the 2023 Bonds then outstanding plus accrued interest thereon. Furthermore, no assurance can be given that any amount realized upon any liquidation of the Projects will be available to provide for the payment of the 2023 Bonds on a timely basis.

Delays In Exercising Remedies; Limitations On Enforceability

The enforceability of the Master Lease and the Indenture is subject to applicable bankruptcy laws, equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the police powers of the State, the exercise of judicial authority by State or federal courts and the exercise by the United States of America of the powers delegated to it by the federal constitution. Because of the unique uses to which the Projects may be suited and the delays inherent in obtaining foreclosure upon real property and judicial remedies, no assurance can be given that these remedies could be accomplished rapidly. Any delays in or failure on the part of the Trustee to obtain possession of or to foreclose the lien on the Projects, if necessary, will likely result in delays in any payment of principal of or interest on the 2023 Bonds.

Destruction Of A Project

The Master Lease requires the Project to be insured by policies of insurance (including casualty and property damage insurance) as described in "APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Payment of Taxes, Charges, Insurance, etc." (page A—). In the event of damage to or destruction of all or any part of the 2023 Project, the City is nevertheless required to continue to make payments under the Master Lease during the period for which the City Council has appropriated moneys to do so. In such event, the City will decide whether the proceeds from available insurance (and any other legally available source) are sufficient to repair and rebuild such Project or whether to apply the available proceeds to redemption or payment of the applicable Series of Bonds. If the net proceeds from insurance or certain other sources are insufficient to repair or replace such Project, the City may terminate its obligations under the Master Lease with respect to such Project and cause such proceeds to be distributed for the redemption of the applicable Series of Bonds in whole or in part as provided in the Indenture. See "THE 2023 BONDS—Redemption Provisions For The 2023 Bonds—Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation" below.

There can be no assurance as to the adequacy of a timely payment under property damage insurance in effect at that time. Furthermore, there can be no assurance that such insurance proceeds will be sufficient to redeem the applicable Series of Bonds in whole or that the Trustee will be able to realize any additional funds from such Projects at that time. See "APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Damage, Destruction And Condemnation" (page A—).

[Release Of A Project Upon Payment Of Related Series Of Bonds]

Pursuant to the Master Lease, the City may, by depositing with the Trustee amounts sufficient to pay or provide for the payment of Bonds issued to finance or refinance a portion of the Projects, purchase the related portion of Projects, which may result in the release of the purchased portions of Projects as security for the Bonds which remain outstanding. The release of one or more portions of Projects may diminish the amount which could be realized by the Trustee upon the occurrence of an Event of Default or an Event of Non-Appropriation or the likelihood that the City will renew the Master Lease for any Renewal Term.

Depreciation And Lack Of Residual Value

Certain components of the Projects may become obsolete, may depreciate in value or may wear out during the time that the 2023 Bonds are outstanding. In addition, components of the Projects may be difficult or impossible to remove from their points of service or use. Consequently, following an Event of Nonappropriation, an Event of Default under the Master Lease or the termination of the Master Lease for any reason, it is possible that any revenues realized by the Trustee from a reletting or sale, as appropriate, of the Authority's interest in the Projects may be sufficient to repay all outstanding Bonds in full.

Tax-Exempt Status Of The 2023 Bonds; Continuing Compliance With Certain Covenants

Failure by the Authority or the City with respect to any of the 2023 Bonds to comply with certain covenants in the Indenture, the Master Lease and the 2023 Bonds, on a continuing basis, so long as any of the 2023 Bonds are outstanding under the Indenture and thereafter as required by such document provisions and applicable law, could result in interest on the 2023 Bonds becoming includible in federal gross income, retroactive to the date of their original issuance. See "TAX EXEMPTION" below. The Indenture and the 2023 Bonds do not provide for the payment of any additional interest or penalty in the event that interest on the 2023 Bonds becomes includible in federal gross income.

Changes In City Governance

The obligation of the City to pay Rentals under the Master Lease is subject to annual appropriation by the City Council, based upon a budget initially presented to the City Council by the City's Administrative Services Director. The decision to renew or not to renew the term of the Master Lease is to be made solely by the City Council at the time it considers for adoption the final budget relating to each Renewal Term and not by any official of the City, acting in his or her individual capacity.

The Mayor and five-member City Council are elected officials and serve four-year terms. There can be no assurance that a future City Council will support the 2023 Project or continue to make appropriations of Rentals under the Master Lease.

No Environmental Report

No environmental reports have been conducted on the property upon which the Series 2023 Project will be located. Although the City reports that it is not aware of any environmental hazards with respect to the property, no assurances can be given that such property is clear of any environmental hazards. If environmental hazards are present on the property, it could affect the willingness of the City Council to appropriate Rentals with respect to the Series 2023 Project and could also affect the value of such property and impact the ability of any owner in possession of the property to relet or sell it.

Climate Change Risk; Natural Disasters And Global Health Emergencies

Climate Change. There are potential risks within the State that are associated with changes to the climate over time and with increases in the frequency, timing, and severity of extreme weather events or droughts. The Authority cannot predict how or when various climate changes risks may occur, nor can it quantify the impact on the Authority.

While 2023 is on track to be one of the State's wettest water years on record, certain areas of the State have experienced drought conditions for at least part of the year in each of the last 10 years. The State has experienced large wildfire/forest fire seasons in which air quality across the State has been negatively impacted (including diminished air quality from wildfires/forest fires located outside the State from drifting air currents). Wildfires/forest fires can impact the State's economy; cause respiratory health problems; result in loss of infrastructure, homes, and property; and destroy forestland, wildlife habitat and other resources.

Natural Disasters. Natural disasters (include earthquakes, mudslides, wildfires/forest fires, heat waves, floods, windstorms, droughts, and avalanches) may occur which may affect the Authority. The State is in a region of seismic activity subject to earthquakes in varying strengths. On March 18, 2020 an earthquake occurred in the township of Magna, Utah; approximately 15 miles west of Salt Lake City, Utah, which magnitude registered 5.7 on the Richter scale.

Global Health Emergencies. Regional, national, or global epidemics or pandemics could have materially adverse local, regional, national, or global economic and social impacts. The Authority's finances may be materially adversely affected by epidemics and pandemics.

The Authority cannot predict how or when any climate-change-related events, natural disasters, or health emergencies may occur; nor can it quantify the impact of such events on the Authority or its operations.

SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS

The Master Lease And The Indenture

The 2023 Bonds are payable from amounts due under the Master Lease, as may be appropriated by the City Council, and certain other moneys as provided in the Indenture. The Initial Term of the Master Lease begins on [December 1, 2023,] and expires on June 30, 2024. The City has the option to extend the term of the Master Lease for consecutive one-year Renewal Terms.

Extension of the term of the Master Lease beyond the initial term of the Master Lease is subject to the further exercise by the City, in its sole discretion, to renew the Master Lease for consecutive additional one-year Renewal Terms commencing July 1 of each of the years 2024 through 2042, and a final Renewal Term commencing July 1, 2043, and ending December 1, 2043, unless terminated earlier or extended by the issuance of Additional Bonds. For circumstances under which the

Master Lease will be terminated, see “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Termination Of The Lease” (page A—).

The Authority, as lessor under the Master Lease and pursuant to the Indenture, has assigned to the Trustee its rights to receive Base Rentals under the Master Lease for the benefit of the Bondowners. In addition, the Authority has, for the benefit of the Bondowners, granted or will grant a mortgage and security interest in all its right, title, and interest in the 2023 Project and any additional Projects to be acquired under the Master Lease.

The continuation of the term of the Master Lease and the obligation of the City to pay Base Rentals after June 30, 2024, are subject to the appropriation by the City Council of sufficient funds to extend the term of the Master Lease for the next Renewal Term. Neither the Master Lease nor the 2023 Bonds constitute a general obligation or indebtedness of the City, within the meaning of any constitutional or statutory debt limitation. Neither the City nor the Authority has pledged its credit to the payment of the Master Lease or the 2023 Bonds, and neither the City nor the Authority is directly or contingently obligated to apply money from, or to levy or pledge, any form of taxation to the payment of the Master Lease or the 2023 Bonds. The Authority does not have any taxing power.

So long as the Master Lease does not expire by its terms in the event the City Council appropriates sufficient funds to extend the term of the Master Lease for each successive Renewal Term, the City Council is required by the provisions of the Master Lease to pay semiannually to the Trustee specified Base Rentals for the Projects which are designed to be sufficient, in both time and amount, to pay, when due, the principal of and interest on the Bonds.

The City has covenanted in the Master Lease to cause to be included in its annual tentative budget as prepared by the appropriate officials acting on behalf of the City in accordance with applicable law, of an amount necessary (after taking into account any moneys then legally available for such purpose) to pay the Base Rentals and any reasonably anticipated Additional Rentals under the Master Lease for the Projects during the next succeeding Renewal Term. See “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE AND THE MASTER LEASE—Request for Appropriation” (page A—).

In the event the City Council does not appropriate sufficient funds to extend the term of the Master Lease, and the Master Lease thereby expires by its terms at the end of any Renewal Term, the City will have no further payment obligation under the Master Lease, except for the Base Rentals which are payable prior to the termination of the Master Lease. Upon such expiration, the Trustee may exercise one or more of the rights provided in the Master Lease, the Indenture, the Ground Lease or the Security Documents, including an option to dispose of the Authority’s interest in the Projects, and apply the proceeds of such disposition, if any, together with the moneys in the Bond Fund and other amounts available under the Indenture to the payment of principal of all then outstanding Bonds and accrued interest thereon. However, due to the nature of the Projects, it is unlikely that revenues from such sources would be sufficient to pay in full all then outstanding Bonds if payment were then due by acceleration or otherwise. Should a shortfall occur, the Bonds would be paid on a pro rata basis as provided in the Indenture. See “INVESTMENT CONSIDERATIONS” above.

[Pursuant to the provisions of the Master Lease, the City may, in its sole discretion, purchase all or a portion of the 2023 Project by payment of the applicable Option Price as defined in the Master Lease. See “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Conveyance of the Projects” (page A—).]

The Ground Lease And The Security Documents

The City owns the land in which the 2023 Project will be constructed. Pursuant to the Ground Lease the City, as lessor, has leased to the Authority, as lessee, its interest in the land relating to the 2023 Project.

The Authority under the Security Documents has irrevocably warranted, granted, transferred, conveyed and assigned to the Trustee, in trust with power of sale, all of its right, title and interest in the 2023 Project, including, but not limited to real property, rents, issues, profits, royalties, income, interest in the leases or subleases, options to purchase, easements, rights of way, proceeds of insurance or condemnation and tangible personal property in order to provide additional security for the Authority’s payment obligations under the Bonds and the Indenture. The Security Documents generally provide for the procedure by which the Trustee can foreclose the lien on the Authority’s interest (which may be a leasehold interest) in the 2023 Project to pay the Authority’s payment obligations under the Bonds and the Indenture. If an Event of Default occurs under the Indenture, and if the Trustee accelerates the payment of the Bonds pursuant thereto, the Trustee shall also direct the Trustee under the Security Documents to foreclose the lien created under the Security Documents, either by public sale or by proceedings in equity. The Trustee shall receive any proceeds from such sale and apply them in accordance with the Indenture. Subject to the limitation on remedies and acceleration during acquisition and construction of portions of the

2023 Project, any proceeds shall be applied to the payment of principal and interest then due and unpaid on all the 2023 Bonds, ratably, according to the amounts due respectively for principal and interest, to the Bondowners.

No deficiency judgment upon foreclosure of the lien of the Indenture or Security Documents may be entered against the City or the Authority, and no judgment requiring a payment of money may be entered against the City thereunder or under the Master Lease.

Additional Parity Bonds And Refunding Bonds

In the future, the Authority may issue Additional Parity Bonds, consisting of Additional Bonds, Refunding Bonds, or a combination of both, ranking on a parity with the 2023 Bonds. All Additional Parity Bonds will be secured by the lien of the Indenture and the Security Documents and will rank on a parity with the 2023 Bonds. Such Additional Parity 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 Projects.

So long as the Master Lease is in effect and no Event of Default under the Indenture or the Master 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 Parity Bonds may be issued, authenticated and delivered for the purpose of financing Costs of Acquisition and Construction of a Project or Projects for the use and benefit of the City in accordance with the restrictions set forth in the Indenture. See “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Additional Bonds” (page A—__).

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 in the Indenture and in the Master Lease. Refunding Bonds may be issued to provide funds to refund the Bonds then Outstanding, in whole or in part, to make additional deposits to the Reserve Fund, 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 (i) the Authority shall not be in default under the Indenture or the Master Lease or any provision thereof, and the issuance of Refunding Bonds shall not constitute a default under the Master Lease or cause any violation of the covenants or representations of the City or the Authority in the Master Lease or in the Indenture; (ii) no Event of Default or Event of Nonappropriation shall have occurred and be continuing under the Master Lease; and (iii) the Authority shall have otherwise complied with the provisions of the Indenture with respect to the issuance of such Refunding Bonds. See “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Additional Bonds—Issuance of Refunding Bonds” (page A—__).

Insurance On The Projects

The Projects are required to be insured by policies of insurance or by self-insurance to the extent described in “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022—Risk Management” (ACFR page 59). All Net Proceeds of performance bonds, proceeds (including any moneys derived from any self-insurance program) from policies of insurance (except the policy of public liability and property damage insurance) required by the Master Lease or condemnation awards which are received by the Trustee will be deposited into a separate trust fund under the Indenture. Such Net Proceeds will be used either to repair, restore, modify, or improve the applicable Projects or to redeem or defease the related Bonds, as more fully described in “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Damage, Destruction And Condemnation” and “—Obligation Of The City To Repair And Replace The Project.”

No Debt Service Reserve For The 2023 Bonds

No Debt Service Reserve for the 2023 Bonds. The Indenture establishes a separate account in the Debt Service Reserve Fund for each Series of Bonds issued. The Indenture also authorizes the Authority to obtain a Reserve Instrument in place of fully funding an account in the Debt Service Reserve Fund. The amount on deposit in an account of the Debt Service Reserve Fund secures only those Series of Bonds issued thereunder. *The Authority will not fund an account in the debt service reserve fund for the 2023 Bonds.*

NO DEFAULTED AUTHORITY BONDS OR FAILURES BY THE CITY TO RENEW LEASE

As of the date of this OFFICIAL STATEMENT, neither the Authority nor the City has ever failed to pay when due the principal of and interest on its bonded indebtedness and other payment obligations related thereto. The City has never failed to renew an annually renewable lease.

THE 2023 BONDS

General

The 2023 Bonds will be dated the date of delivery¹ thereof (the “Dated Date”) and will mature on December 1 of the years and in the amounts as set forth on the inside cover page of the OFFICIAL STATEMENT.

Interest on the 2023 Bonds is payable semiannually on each June 1 and December 1 and is computed based on a 360-day year of 12, 30-day months. Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, is the initial Registrar (the “Registrar”), Paying Agent (the “Paying Agent”) and Trustee with respect to the 2023 Bonds.

The 2023 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any integral multiple thereof, not exceeding the amount of each maturity.

Registration, Denominations, Manner Of Payment

The 2023 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2023 Bonds. Purchases of 2023 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC Participants (as defined herein). Beneficial Owners of the 2023 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository act as the securities depository with respect to the 2023 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined in “APPENDIX E—BOOK-ENTRY SYSTEM” below.

Principal of and interest on the 2023 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2024) are payable by the Paying Agent, to the Registered Owners of the 2023 Bonds. So long as Cede & Co. is the sole registered owner, as nominee of DTC, it is required in turn to remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2023 Bonds.

So long as DTC or its nominee is the sole registered owner of the 2023 Bonds, neither the Authority, the City, the successful bidder(s), nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2023 Bonds. *Under these same circumstances, references herein and in the Indenture to the “Bondowners” or “Registered Owners” of the 2023 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2023 Bonds.*

Regular Record Date; Transfer Or Exchange Of The 2023 Bonds

Regular Record Date means the 15th day (whether or not a Business Day) next preceding each Interest Payment Date. The Authority and the Trustee shall not be required to transfer or exchange any Bond: (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date; (ii) during the period from and including the day 15 days prior to any Special Record Date (as herein defined), to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day 15 days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption. “Special Record Date” means such date as may be fixed for the payment of defaulted interest on Bonds in accordance with the Indenture.

Estimated Sources And Uses Of Funds

The proceeds from the sale of the 2023 Bonds are estimated to be applied as set forth below:

¹ The anticipated date of delivery is Wednesday, December 6, 2023.

<i>Sources:</i>	
Par amount of 2023 Bonds.....	\$
[Net] Original issue premium.....	
Total.....	\$
<i>Uses:</i>	
Deposit into 2023 Project Construction Fund	\$
Successful bidder's discount.....	
Costs of issuance (1)	
Total.....	\$

(1) Includes legal fees, Trustee, Bond Registrar, and Paying Agent fees, Municipal Advisor fees, rating agency fees, rounding amounts and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

Redemption Provisions For The 2023 Bonds

Optional Redemption. The 2023 Bonds maturing on and after December 1, 2034, are subject to redemption prior to maturity in whole or in part at the option of the Board of Trustees on December 1, 2033, or on any date thereafter, from such maturities or parts thereof as shall be selected by the Board of Trustees at the redemption price of 100% of the principal amount of the 2023 Bonds to be redeemed plus accrued interest (if any) thereon to the redemption date.

Extraordinary Optional Redemption in the Event of Damage, Destruction or Condemnation. The 2023 Bonds are callable for redemption prior to maturity in whole on any date, if (i) the 2023 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 2023 Project shall become apparent, or title to or the use of all or any material portion of the 2023 Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds 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 2023 Project, and (iii) the City elects to discharge its obligation to repair and replace the 2023 Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds in the Bond Fund, the payment obligations of the City with respect to the 2023 Projects under the Master Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals under the Indenture with respect to the 2023Project, and possession of the 2023 Project shall be surrendered to the Authority and all right, title and interest of the City and the Authority in any funds or accounts created under the Indenture with respect to the 2023 Project shall be surrendered to the Trustee, as trustee for the Bondowners. Thereafter, the Indenture and the Security Documents applicable to the 2023 Project may, subject to the limitations of the Indenture, be foreclosed and the Authority’s interest in the 2023 Projectliquidated 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 Indenture with respect to the 2023 Project(except moneys held in the Rebate Fund or for the payment of Bonds not then deemed outstanding), shall be applied to the redemption of the 2023 Bonds at the earliest date practicable, as specified in a written notice from the Authority to the Trustee. Such redemption of the 2023 Bonds shall be made upon full or partial payment of the principal amount of the 2023 Bonds then Outstanding plus accrued interest thereon, all in accordance with the Indenture. In the event there are moneys remaining in the Bond Fund after payment in full of all Bonds of said Series issued under the Indenture, the Trustee is authorized and directed to transfer said moneys to the City. If the 2023 Bonds are redeemed 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 redemption date, no further claim for payment may be had by the holders of the 2023 Bonds against the Authority, the City, or the Trustee.

For purposes of the extraordinary optional redemption in the event of damage, destruction, or condemnation of the 2023 Project, the Authority has designated subseries for the 2023 Bonds that correspond to each discreet portion of the 2023 Project. The Authority can exercise its extraordinary optional redemption right with respect to the subseries relating to the portion of the 2023 Project that has been damaged, destroyed or condemned without redeeming any other subseries or all the 2023 Bonds. See in this section “Partial Redemption of 2023 Bonds” below.

Notice of Redemption. Notice of the call for any redemption, identifying the 2023 Bonds (or portions thereof) to be redeemed, will be given by the Trustee (upon being satisfactorily indemnified as to expenses) by mailing a redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner (initially DTC) of each 2023 Bond to be redeemed (in whole or in part) at the address shown on the registration books, provided, however, that failure to give such notice by mailing, or any defect therein, will not affect the validity of any proceedings for the redemption of any 2023 Bond or portion thereof as to which no such failure occurred. All 2023 Bonds so

called for redemption shall cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment, at that time. Any notice mailed as provided in the Indenture will be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Each such notice will be dated and will be given in the name of the Authority and will state the following information: (i) the complete official name of the 2023 Bonds, including series, to be redeemed, the identification numbers of 2023 Bond certificates and the CUSIP® numbers, if any, of the 2023 Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP® numbers either as printed on such 2023 Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such 2023 Bonds; (ii) any other descriptive information needed to identify accurately the 2023 Bonds being redeemed, including, but not limited to, the original issuance date and maturity date of, and interest rate on, such 2023 Bonds; (iii) in the case of partial redemption of any 2023 Bonds, the respective principal amounts thereof to be redeemed; (iv) the date of mailing of redemption notices, the record date 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 2023 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (vii) the place where such 2023 Bonds are 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.

Upon payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number, if any, identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

If at the time of mailing of any notice of redemption there shall not be deposited with the Trustee moneys sufficient to redeem all the 2023 Bonds called for redemption, such notice will state that such redemption is conditional upon the deposit of the redemption moneys with the Trustee or the Paying Agent not later than the opening of business on the redemption date, and such notice will be of no effect unless such moneys are so deposited.

A second notice of redemption shall be given, not later than 90 days subsequent to the redemption date, to Bondowners of 2023 Bonds, or portions thereof, redeemed but who failed to deliver 2023 Bond certificates 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 Bondowners of such 2023 Bonds receive 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 Bondowners shall not affect the validity of the proceedings for the redemption of the 2023 Bonds.

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

Redemption Payments. On or prior to the date fixed for redemption, funds shall be deposited by the Authority with the Trustee to pay to the Paying Agent. Upon the giving of notice and the deposit of funds for redemption with the Paying Agent, interest on the 2023 Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption and said 2023 Bonds shall cease to be entitled to any lien, benefit or security under the Indenture or the Security Documents, and the Bondowners of said 2023 Bonds shall have no rights in respect thereof except to receive payments of the redemption price thereof.

As provided in the Indenture, the Trustee is required to give further notice of redemption to at least one national information service, provided, however, that failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

Partial Redemption of 2023 Bonds. In the case of a partial redemption of 2023 Bonds when 2023 Bonds of denominations greater than \$5,000 are then outstanding, then for all purposes in connection with such partial redemption, each \$5,000 of face value shall be treated as though it were a separate 2023 Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any 2023 Bond is to be called for redemption, then upon notice of intention to redeem such \$5,000 unit or units (given by the Trustee), the Owner of such 2023 Bond shall forthwith surrender such 2023 Bond to the Trustee (a) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and (b) for exchange, without charge to the Owner thereof, for a new 2023 Bond or 2023 Bonds of the same Series, designation, maturity and interest rate and in any of the authorized denominations, at the option of the Owner thereof, of the aggregate principal

amount of the unpaid balance of the principal amount of the 2023 Bond to be so redeemed. If the Owner of any such 2023 Bond of a denomination greater than \$5,000 shall fail to present such 2023 Bond to the Trustee for redemption and exchange as aforesaid, the principal amount of such 2023 Bond to be redeemed shall, nevertheless, become due and payable on the redemption date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such 2023 Bond to be redeemed represented by such \$5,000 unit or units of face value on and after the redemption date and (funds sufficient for the payment of the redemption price having been deposited with the Trustee and being available for the redemption of said unit or units on the redemption date) such 2023 Bond shall not be entitled to the benefit or security of the Indenture to the extent of the portion of its principal amount (and accrued interest thereon after the redemption date) represented by such \$5,000 unit or units of face value nor shall new 2023 Bonds be thereafter issued corresponding to said unit or units. 2023 Bonds shall be redeemed only in the principal amount of \$5,000 each or any whole multiple thereof.

With respect to any partial redemption of 2023 Bonds of less than all of a particular maturity of 2023 Bonds, the particular 2023 Bonds to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee shall determine to be fair and equitable.

Mandatory Sinking Fund Redemption At Bidder's Option

The 2023 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option."

Book-Entry System

DTC will act as securities depository for the 2023 Bonds. The 2023 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2023 Bond certificate will be issued for each maturity of the 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a "fast agent" of DTC. See "APPENDIX E—BOOK-ENTRY SYSTEM" for a more detailed discussion of the book-entry system and DTC.

Debt Service On The 2023 Bonds

The Master Lease requires semi-annual Base Rental payments to be made by the City to the Authority (on May 15 and November 15 of each year), which Base Rentals have been assigned to the Trustee pursuant to the Indenture. The 2023 Bond principal and/or interest payments are then paid by the Trustee on June 1 and December 1.

The following table shows the scheduled Base Rental Payments on the 2023 Bonds for the entire term of the Master Lease (assuming the City renews the Master Lease for all Renewal Terms) which are equal to the payments of principal of and interest on such 2023 Bonds for each of the City's Fiscal Years.

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Due Date (Base Rental Payment)	2023 Bonds		Period Total	Fiscal Total
	Principal*	Interest		
November 15, 2024	\$ 235,000	\$	\$	
May 15, 2025				
November 15, 2025	955,000			
May 15, 2026				
November 15, 2026	1,005,000			
May 15, 2027				
November 15, 2027	1,055,000			
May 15, 2028				
November 15, 2028	1,110,000			
May 15, 2029				
November 15, 2029	1,165,000			
May 15, 2030				
November 15, 2030	1,225,000			
May 15, 2031				
November 15, 2031	1,285,000			
May 15, 2032				
November 15, 2032	1,355,000			
May 15, 2033				
November 15, 2033	1,425,000			
May 15, 2034				
November 15, 2034	1,495,000			
May 15, 2035				
November 15, 2035	1,575,000			
May 15, 2036				
November 15, 2036	1,655,000			
May 15, 2037				
November 15, 2037	1,740,000			
May 15, 2038				
November 15, 2038	1,825,000			
May 15, 2039				
November 15, 2039	1,905,000			
May 15, 2040				
November 15, 2040	1,995,000			
May 15, 2041				
November 15, 2041	2,085,000			
May 15, 2042				
November 15, 2042	2,180,000			
May 15, 2043				
November 15, 2043	<u>2,285,000</u>			
Total	<u>\$29,555,000</u>	\$	\$	

* Preliminary; subject to change.

(Source: Municipal Advisor.)

LOCAL BUILDING AUTHORITY OF SARATOGA SPRINGS, UTAH

Establishment And Statutory Powers

On September 19, 2023, the City created the Authority as a nonprofit corporation in accordance with the provisions of the Acts. The Authority is to be of perpetual duration as set forth in its Articles of Incorporation. The Authority at the present time has no full-time employees or other personnel other than its board of trustees as described below. The Authority has no property, money, or other assets, except for the Projects as described in this OFFICIAL STATEMENT. The principal place of business of the Authority is in the City offices at the address shown under “INTRODUCTION—Contact Persons” above.

The Authority has been incorporated for the purpose of acquiring, improving, or extending one or more projects and financing and/or refinancing their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Building Authority Act, in order to accomplish the public purposes for which the City exists.

The Authority has all of the powers provided for in the Building Authority Act and in the Constitution and other laws of the State. The Authority may not, however, undertake any of the activities provided for in its Articles of Incorporation without prior authorization therefor by the governing body of the City. The Authority has been organized as a nonprofit corporation and its Articles of Incorporation expressly require that it remain a nonprofit corporation.

The Authority may not be dissolved unless all of its outstanding bonds and other obligations are paid in full as to principal, interest, and redemption premiums, if any, or unless provision for the payment of the same when due has been made. Whenever bonds, notes or other evidence of indebtedness issued by the Authority are satisfied, discharged, and retired, title to all real and personal property financed with the proceeds of such bonds, notes or other evidences of indebtedness is required to be transferred to the City.

Under the Building Authority Act, the Authority has the power to: (i) acquire one or more projects, which, by definition, means that it may obtain or gain property of every kind or nature which a public body is authorized or permitted by law to own, and it may otherwise improve or extend such a project or projects and finance their costs on behalf of the public body which created the Authority in order to accomplish the public purposes for which the public body exists; (ii) enter into leasing contracts with the City with respect to projects which the Authority has acquired, improved or extended or will acquire, improve or extend on behalf of the City; (iii) issue and sell its bonds for the purpose of financing and refinancing the cost of acquiring, improving or extending a project; and (iv) exercise other powers as enumerated in the Building Authority Act, all in accordance with and subject to the specific requirements of the Building Authority Act with respect to such powers.

Organization

According to the By-Laws of the Authority, the affairs of the Authority are managed by a Board of Trustees (the “Board of Trustees”). The Board of Trustees consists of the members of the City Council as may from time to time serve. Each Trustee serves on the Board of Trustees until death, incapacity, or removal from the City Council. Whenever a Trustee shall cease to be a member of the City Council, his successor, upon his election and qualifying for office, thereupon becomes a Trustee of the Authority.

The By-Laws further provide for election of officers by the Board of Trustees in accordance with the provisions of the By-Laws. Set forth below are the current members of the Board of Trustees, officers of the Authority, and the Authority’s Secretary:

<u>Office/Representing</u>	<u>Person</u>	<u>Years of Service</u>	<u>Expiration of Current Term</u>
President/Chairman.....	Jim Miller	14	January 1, 2026
Trustee.....	Christopher Carn	4	January 1, 2024
Trustee.....	Michael McOmber	14	January 1, 2026
Trustee.....	Chris Porter	6	January 1, 2024
Trustee.....	Ryan Poduska	4	January 1, 2024
Trustee.....	Stephen Willden	10	January 1, 2026
Secretary.....		—	N/A

(Source: the City.)

Debt Issuance Of The Authority

The Authority's debt does not constitute debt within the meaning of any constitutional provision or statutory limitation which is applicable to the City.

The issuance of the 2023 Bonds is the Authority's first bond issuance under the Indenture. The 2023 Bonds and all other Additional Parity Bonds issued on a parity basis will be cross-collateralized, in that the Authority has granted to the Trustee, for the benefit of the Owners of all of the Bonds, a security interest in all of the Authority's right, title and interest in the Projects financed or refinanced by the issuance of Bonds.

THE 2023 PROJECT

The 2023 Project Financed With The Bonds

The Authority is issuing the 2023 Bonds to construct an approximately 80,000 square foot City Hall Building that will house most City¹ services and include a City Library. By combining city hall and library functions into one building and sharing spaces based on an analysis of when those spaces are needed, has allowed for a smaller building size resulting in more efficient use of public funds. Current plans for the City Hall Building include approximately 20,000 square feet to be shelled or leased, allowing the city to grow into this space as needed.

Construction on the 2023 Project is anticipated to begin in Spring 2024 with a projected completion date 18 to 24 months after groundbreaking.

The City owns all land on which the 2023 Project will be constructed. Pursuant to the Ground Lease between the Authority and the City, the City, as lessor, has leased to the Authority, as lessee, its interest in the land relating to the 2023 Project.

The 2023 Project As Security For The Bonds

The 2023 Bonds are equally and ratably secured by the lien of the Indenture, the Security Documents, and the Master Lease, subject to the terms, conditions, limitations, and exceptions set forth therein. Upon the occurrence of an Event of Default under the Indenture or the occurrence of an Event of Nonappropriation under the Master Lease, the City shall be required to surrender and vacate the 2023 Project, the Trustee shall have all rights and remedies to take possession of the 2023 Project as trustee for the benefit of the Beneficial Owners of the 2023 Bonds, and the Trustee may exercise various remedies against or with respect to the 2023 Project under the Indenture and the Master Lease for the proportionate benefit of the Beneficial Owners of the 2023 Bonds, subject to the limitation on remedies and acceleration during acquisition and construction of any of the Projects. See in this section "Cross-Collateralization" below and "INVESTMENT CONSIDERATIONS—Destruction Of A Project" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 Bonds—The Master Lease And The Indenture" above. Under the Master Lease, an Event of Nonappropriation will occur if the Board of Trustees fails or refuses to specifically appropriate moneys sufficient to pay the Rentals with respect to all or any portion of the Projects coming due in any Fiscal Year under the Master Lease.

Cross-Collateralization

Subject to the following section "Release Of A Project Upon Payment Of Related Series Of Bonds," and to the provisions described above under the caption "THE 2023 Bonds—Redemption Provisions For The 2023 Bonds—Extraordinary Redemption In The Event Of Damage, Destruction or Condemnation" pursuant to the Indenture and the Master Lease, all of the Bonds issued under the Indenture are cross-collateralized in that the Authority has granted to the Trustee, for the benefit of the Owners of all of the Bonds, a security interest in all of the Authority's right, title and interest in all of the Projects. The occurrence of an Event of Default under the Indenture or an Event of Nonappropriation under the Master Lease will entitle the Trustee to take possession of the Projects and to exercise its rights and remedies to the extent provided in the Indenture against the Projects in such manner and order as the Trustee determines to be in the best interests of the Owners of the Bonds then outstanding. However, the security interest in some of the Projects may be released prior to the payment of all of the Bonds as described in the following section "Release Of A Project Upon Payment Of Related Series Of Bonds."

¹ Police, Public Works (except for Operations and Engineering) and Justic Court will not have offices in the new City Hall.

Release Of A Project Upon Payment Of Related Series Of Bonds

Pursuant to the Master Lease, the City has the option of purchasing a Project in advance of the final maturity of the series of Bonds. So long as no Event of Default shall have occurred and be continuing under the Indenture and so long as no Event of Default or Event of Nonappropriation shall have occurred and be continuing under the Master Lease, the 2023 Project may be released as security for the Bonds and may be transferred to the City if (i) the City shall deposit with the Trustee the Purchase Option Price for such Projects; and (ii) there shall have been delivered to the Trustee an opinion of nationally-recognized bond counsel to the effect that the release of the 2023 Project will not adversely affect the excludability of interest on the Bonds from the federal gross income of the owners thereof. Pursuant to the Indenture and the Master Lease, the City may exercise this option with respect to the Projects.

Maintenance Of The Projects

The City has agreed in the Master Lease, at its own expense, to maintain, manage and operate the Projects and all improvements thereon in good working order, condition, and repair, and to pay all costs associated therewith. As provided in the Master Lease, the Authority, the Trustee and the Bondowners have no obligation to incur any expense of any kind or character for the management, operation, or maintenance of the Projects during the term of the Master Lease. See “APPENDIX A—EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE—Maintenance Of The Projects By The City.”

SARATOGA SPRINGS, UTAH

General

The City of Saratoga Springs, Utah (the “City”) incorporated in 1997, covers an area of approximately 21 square miles and is in the northern portion of Utah County, Utah (the “County”). The City is located approximately 24 miles northwest of the Provo, Utah. The City had 49,354 residents according to the 2022 U.S. Census estimate. The County is situated in the north central portion of the State of Utah. Incorporated in 1850, the County is bordered on the north by Salt Lake County, Utah and encompasses approximately 2,000 square miles of land. The County had 702,434 residents in 2022 according to the estimates by the U.S. Census Bureau, ranking the County as the second largest populated county in the State. See the location map of the City and County above..

The City maintains a web site at <http://www.saratogaspringscity.com>. For the contact person for the City see “INTRODUCTION—Contact Persons” above.

Form Of Government

State statutes detail the functions to be performed by State municipalities. Title 10, Utah Code, generally sets out laws to provide for the incorporation, organization, and classification of cities and towns based upon population. The City is a third-class city. State law allows cities of the third class to choose government either by mayor and city council or by mayor, council, and city manager. The City is organized under general law and governed by a Mayor–Council form of government, with five Council members serving four-year terms (who are elected from districts). The Mayor, who is elected at large by voters for a four-year term, chairs the city council and votes to break a tie and has some statutory, legislative, judicial, and ex officio powers. City Manager powers are described and governed by an ordinance or resolution passed by the City Council.

The City Council is charged with the responsibility of performing the legislative functions of the City.

The principal powers and duties of State municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and to construct and maintain streets, sidewalks, waterworks, and sewers. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

The current Mayor, City Council and certain administrative officers of the City have the following respective terms in office:

Office	Person	Years of Service	Expiration of Current Term
Mayor	Jim Miller	14	January 2026
Council Member	Chris Carn	4	January 2024
Council Member	Michael McOmber	14	January 2026
Council Member	Chris Porter	6	January 2024
Council Member	Ryan Poduska	4	January 2024
Council Member	Stephen Willden	10	January 2026
City Manager	Mark Christensen	12	Appointed
Assistant City Manager	Owen Jackson	—	Appointed
City Attorney	Kevin Thurman	11	Appointed
City Recorder	Cindy LoPiccolo	7	Appointed
Finance Director	Chelese Rawlings	10	Appointed

(Source: the City.)

Employee Workforce And Retirement System; No Post–Employment Benefits

Employee Workforce and Retirement System. The City employs approximately 262.23 full–time equivalent employees. The City participates in cost–sharing multiple employer defined benefit pension plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems (“URS”). The retirement system provides refunds, retirement benefits, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes. [The City also participates in a defined contribution savings plans for City employees administered by URS.]

For a detailed discussion regarding retirement benefits and contributions see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022–Notes To The Basic Financial Statements–Note 6. Retirement Plans” (ACFR page 48).

No Post–Employment Benefits. The City has not provided past or present post–employment benefits to its employees.

Risk Management

Property. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The City manages its risks through the purchase of commercial insurance policies and participation in the general liability insurance program of the Utah Local Governments Trust (the “Trust”), a public entity risk pool. The City carries earthquake insurance through the Trust. Settled claims have not exceeded the City’s insurance coverage for any of the past five years.

The City participates in the public entity risk pool’s general liability insurance program. This program requires annual premiums based on the City’s level of insurance and previous claims experience. The payment of the premium indemnifies the City for claims that exceed its deductible amount. The risk pool is governed by the inter-local risk pool agreement.

As of the date of this OFFICIAL STATEMENT all policies are current and in force. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides.

See “APPENDIX B— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022–Notes to the Financial Statements–Note 10. Risk Management” (ACFR page 59).

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operation impact and/or damage by cybersecurity incidents or cyberattacks, the City invests in multiple forms of cybersecurity and operational safeguards. Operational safeguards include a firewall/router with extensive access control lists, separate internal networks, protection of wireless access to city networks, secure authenticated virtual private network connections and anti–virus programs. The City also employs the use of two-factor authentication to access systems, along with requiring every employee to complete a cybersecurity training annually. Additionally, the City has a cybersecurity insurance policy.

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “Money Management Act”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in–state and permitted out–of–state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all provisions of the Money Management Act for all City funds.

The Utah Public Treasurers’ Investment Fund. The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short–term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer’s safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State. Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF has no investment rating.

Private Money Manager of Short–Term Investments. In Fiscal Year 2023, the City contracted with a private money manager to manage a shorter–term investment portfolio with a maximum investment term of three years. The total allocation to the private money manager is currently approximately \$10 million.

See “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022–Notes To The Financial Statements–Note 2. Deposits and Investments” (ACFR page 44).

Population

The population of the City and the County and the percent change from the prior period is as follows:

	City	% Change From Prior Period	County	% Change From Prior Period
2022 Estimate	49,354	31%	702,434	7%
2020 Census	37,693	112	659,392	28
2010 Census	17,781	1,673	516,564	40
2000 Census	1,003	–	368,536	40

(Source: U.S. Department of Commerce, Bureau of the Census.)

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Labor Force, Nonfarm Jobs, And Wages within Utah County

	Calendar Year (1)					Calendar Year % change from prior year				
	2022	2021	2020	2019	2018	2021– 22 (1)	2020– 21	2019– 20	2018– 19	2017– 18
Civilian labor force	345,161	332,018	314,022	307,609	299,036	4.0	5.7	2.1	2.9	2.9
Employed persons	337,880	324,289	302,248	300,283	290,741	4.2	7.3	0.7	3.3	3.1
Unemployed persons	7,281	7,729	11,774	7,326	8,295	(5.8)	(34.4)	60.7	(11.7)	(2.9)
Total private sector (average)	268,646	256,024	235,602	234,595	227,528	4.9	8.7	0.4	3.1	5.8
Agriculture, forestry, fishing and hunting	1,172	1,265	1,222	1,229	1,189	(7.4)	3.5	(0.6)	3.4	1.7
Mining	271	256	170	151	133	5.9	50.6	12.6	13.5	33.0
Utilities	343	288	283	285	291	19.1	1.8	(0.7)	(2.1)	(10.7)
Construction	29,565	26,893	25,809	24,950	24,611	9.9	4.2	3.4	1.4	8.1
Manufacturing	22,936	21,044	19,427	19,679	19,134	9.0	8.3	(1.3)	2.8	4.5
Wholesale trade	7,987	7,828	7,181	7,122	7,152	2.0	9.0	0.8	(0.4)	6.0
Retail trade	34,243	35,960	33,112	33,133	32,931	(4.8)	8.6	(0.1)	0.6	3.7
Transportation and warehousing	5,005	4,997	4,052	3,630	3,519	0.2	23.3	11.6	3.2	5.4
Information	15,435	14,722	13,660	13,812	12,786	4.8	7.8	(1.1)	8.0	1.1
Finance and insurance	9,399	9,364	7,485	6,089	5,808	0.4	25.1	22.9	4.8	7.3
Real estate and rental and leasing	3,580	3,499	3,218	3,165	3,006	2.3	8.7	1.7	5.3	6.6
Professional, scientific and technical	26,081	23,416	22,109	21,825	21,332	11.4	5.9	1.3	2.3	15.5
Management of companies/enterprises	2,614	1,919	1,855	1,715	1,559	36.2	3.5	8.2	10.0	13.5
Administrative, etc.	17,299	17,718	15,824	15,443	15,106	(2.4)	12.0	2.5	2.2	8.5
Education services	25,628	24,638	24,350	25,499	24,972	4.0	1.2	(4.5)	2.1	(1.0)
Health care and social assistance	34,159	32,607	30,556	29,978	28,590	4.8	6.7	1.9	4.9	7.3
Arts, entertainment and recreation	3,949	3,141	2,789	3,036	2,636	25.7	12.6	(8.1)	15.2	6.6
Accommodation and food services	22,003	19,993	18,055	19,336	18,502	10.1	10.7	(6.6)	4.5	6.4
Other services	6,976	6,461	5,667	5,746	5,462	8.0	14.0	(1.4)	5.2	1.6
Unclassified establishments	3	5	0	2	0	-	-	-	-	-
Total public sector (average)	33,369	32,818	32,053	32,242	31,313	1.7	2.4	(0.6)	3.0	1.8
Federal	1,091	1,080	1,164	1,073	1,051	1.0	(7.2)	8.5	2.1	3.9
State	9,275	9,234	9,227	9,112	8,960	0.4	0.1	1.3	1.7	0.5
Local	23,003	22,505	21,663	22,058	21,302	2.2	3.9	(1.8)	3.5	2.3
Total payroll (in \$1,000's) (2)	\$17,116	\$15,498	\$13,689	\$12,358	\$11,464	10.4	13.2	10.8	7.8	11.8
Average monthly wage	\$4,723	4,472	4,262	3,859	3,691	5.6	4.9	10.4	4.6	6.2
Average employment	302,015	288,842	267,655	266,837	258,841	4.6	7.9	0.3	3.1	5.3
Establishments	23,824	22,372	18,571	17,700	16,718	6.5	20.5	4.9	5.9	6.4

Personal Income; Per Capita Personal Income; Median Household Income within Utah County and the State of Utah

	Calendar Year						% change from prior year			
	2021	2020	2019	2018	2017	2020–21	2019–20	2018–19	2017–18	2016–17
Total Personal Income (in \$1,000's)										
Utah County	\$ 34,702,132	\$ 31,321,836	\$ 27,354,876	\$ 25,649,738	\$ 23,588,869	10.8	14.5	6.6	8.7	6.9
State of Utah	186,990,527	171,385,445	157,045,208	145,255,769	135,162,181	9.1	9.1	8.1	7.5	5.7
Total Per Capita Personal Income										
Utah County	50,661	47,232	42,995	41,269	38,878	7.3	9.9	4.2	6.2	4.0
State of Utah	56,019	52,225	48,580	45,665	43,241	7.3	7.5	6.4	5.6	3.6
Median Household Income										
Utah County	86,781	77,057	79,505	75,296	70,461	12.6	(3.1)	5.6	6.9	1.3
State of Utah	79,449	74,197	77,060	72,946	70,175	7.1	(3.7)	5.6	3.9	5.2

(Source: U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.)

Construction within Saratoga Springs City, Utah

	Calendar Year						% change from prior year			
	2022 (1)	2021	2020	2019	2018	2021–22	2020–21	2019–20	2018–19	2017–18
Number new dwelling units	701.0	1,763.0	1,536.0	25.0	33.0	(60.2)	14.8	6,044.0	(24.2)	(94.7)
New (in \$1,000's)										
Residential value	\$169,069.0	\$384,535.5	\$318,569.7	11,737.9	\$18,257.6	(56.0)	20.7	2,614.0	(35.7)	(86.0)
Non-residential value	63,470.9	84,503.8	48,175.5	4,531.1	9,070.3	(24.9)	75.4	963.2	(50.0)	(64.4)
Additions, alterations, repairs (in \$1,000's)										
Residential value	8,455.7	13,092.3	7,088.6	1,492.9	1,462.3	(35.4)	84.7	374.8	2.1	(60.6)
Non-residential value	9,107.8	10,064.1	879.5	345.8	87.5	(9.5)	1,044.3	154.3	295.2	(97.2)
Total construction value (in \$1,000's)	<u>\$250,103.4</u>	<u>\$492,195.7</u>	<u>\$374,713.3</u>	<u>\$18,107.7</u>	<u>\$28,877.7</u>	(49.2)	31.4	1,969.4	(37.3)	(82.2)

(1) Construction activity as of 2nd quarter only; percent change compared to 2nd quarter of 2021.

(Source: University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database.)

Sales Taxes within Saratoga Springs City, Utah County and the State of Utah

	Calendar Year						% change from prior year			
	2022	2021	2020	2019	2018	2021–22	2020–21	2019–20	2018–19	2017–18
Gross Taxable Sales (in \$1,000's)										
Saratoga Springs	\$ 865,283	\$ 710,091	\$ 519,461	\$ 365,495	\$ 300,837	21.9	36.7	42.1	21.5	15.2
Utah County	17,488,593	15,630,707	12,811,206	11,242,703	10,164,378	11.9	22.0	14.0	10.6	6.4
State of Utah	100,893,345	90,105,222	58,496,264	54,011,508	50,958,935	12.0	54.0	8.3	6.0	6.1
	Fiscal Year						% change from prior year			
	2023	2022	2021	2020	2019	2022–23	2021–22	2020–21	2019–20	2018–19
Local Sales and Use Tax Distribution										
Saratoga Springs	\$ 10,813,858	\$ 9,063,911	\$ 6,941,266	\$ 5,332,940	\$ 4,608,808	19.3	30.6	30.2	15.7	14.2
Utah County (and all cities)	183,883,573	173,621,634	144,947,404	123,651,764	113,390,785	5.9	19.8	17.2	9.0	6.2

(Source: Utah State Tax Commission.)

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Largest Employers

The City is primarily a residential community in the northern portion of the County and in reviewing the economic conditions of the City, the economy of the County should be considered. The following is a list of the largest employers in the City and the County.

Firm (location)	Business	Range of Employees
<i>Major Employers in the City</i>		
Alpine School District (Saratoga Springs)	Public Education	500 - 999
Walmart Super Center (Saratoga Springs)	Warehouse Clubs and Supercenters	250 - 499
Smith's Food & Drug	Retail trade	250 - 499
Saratoga Springs City	City Government	250 - 499
Costco	Warehouse Clubs	100 - 249
Lakeview Academy of Science and Arts	Education	100 - 249
<i>Mayor Employers in the County</i>		
Brigham Young University (Provo)	Higher Education	15,000 - 19,999
Utah Valley Regional Medical Center (Provo)	Health Care	7,000 - 9,999
Alpine School District (northern county-wide)	Public Education	7,000 - 9,999
Utah Valley University (Orem)	Higher Education	4,000 - 4,999
Wal-Mart (county-wide)	Warehouse Clubs and Supercenters	4,000 - 4,999
Nebo School District (Spanish Fork)	Public Education	3,000 - 3,999
Vivint (county-wide)	Building Equipment Contractors	2,000 - 2,999
Doterra International (Pleasant Grove)	Essential Oils Distribution	2,000 - 2,999
State of Utah	State Government	2,000 - 2,999
Innovative Flexpak (Springville)	Packaging and Labeling Services	2,000 - 2,999
Young Living Essential Oils (Lehi)	Essential Oils Distribution	2,000 - 2,999
Barrett Business Services (Orem)	Telemarketing Bureaus	1,000 - 1,999
Provo City School District (Provo)	Public Education	1,000 - 1,999
Adobe Systems (Lehi)	Software Publishers	1,000 - 1,999
Central Utah Medical Clinic (Provo)	Health Care	1,000 - 1,999
Sunrun (Lehi)	Building Equipment Contractors	1,000 - 1,999
Built Brands (American Fork)	Manufacturing	1,000 - 1,999
Burningham Trucking (American Fork)	Specialized Freight and Local Trucking	1,000 - 1,999
Chrysalis (Provo)	Individual Family Services	1,000 - 1,999
Qualtrics (Provo)	Technical Services	1,000 - 1,999

(Source: Utah Department of Workforce Services. Updated information as of August 2023.)

For additional demographic, economic, and principal employers as of the City's historical Fiscal Years see "APPENDIX B— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022—Statistical Section—Demographic Statistics" (ACFR page 96) and "—Principal Employers—Current Year and Ten Years Ago" (ACFR page 97).

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Rate Of Unemployment—Annual Average

Year	Utah County	State of Utah	United States
2023 (1)	2.4%	2.4%	3.4%
2022(2)	2.1	2.4	3.5
2021(2)	2.3	2.7	5.3
2020(2)	3.8	4.7	8.1
2019(2)	2.4	3.0	3.8
2018(2)	2.7	3.1	3.9

(1) Seasonally adjusted through August 2023 for Utah County and the State of Utah and as of April 2023 for the United States.

(2) Not seasonally adjusted.

(Source: Utah Department of Workforce Services.)

DEBT STRUCTURE OF SARATOGA SPRINGS, UTAH

Outstanding Sales Tax Revenue Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2017 (1)	Regional Park	\$9,780,000	June 1, 2037	\$7,455,000
2011(1)	Various	4,000,000	June 1, 2031	<u>1,960,000</u>
Total Principal Amount of Outstanding Sales Tax Revenue Bonds				<u>\$9,415,000</u>

(1) Rated “AA+” by S&P Global Ratings (“S&P”) as of the date of this Supplemental Continuing Disclosure Memorandum.

(Source: Municipal Advisor.)

Outstanding Water Revenue Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2016 (1)	Water improvements	\$9,710,000	December 1, 2036	\$7,745,000
2014(1)	Improvements/refunding	9,995,000	December 1, 2033	<u>6,385,000</u>
Total Principal Amount of Outstanding Water Revenue Bonds				<u>\$14,130,000</u>

(1) Rated “AA” (Assured Guaranty Municipal Corp. insured, underlying “AA-”) by S&P as of the date of this Supplemental Continuing Disclosure Memorandum.

(Source: Municipal Advisor.)

Outstanding Sewer Revenue Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2018 (1)	Sewer improvements	\$9,970,000	June 1, 2038	\$8,265,000

(1) Rated “AA” (Build America Mutual Assurance Company insured; underlying “AA-”) by S&P as of the date of this Supplemental Continuing Disclosure Memorandum.

(Source: Municipal Advisor.)

Outstanding Special Assessment Revenue Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2012 (1)	Improvements	\$3,114,374.34	April 1, 2029	\$475,000

(1) Not rated; no rating applied for. Purchased through a Direct Purchase.

(Source: Municipal Advisor.)

For the City's presentation of debt see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR THE FISCAL YEAR 2022—Notes to the Financial Statements—Note 11. Long-term Debt (ACFR page 60).

Other Financial Considerations

Future issuance of debt. Other than the issuance of the 2023 Bonds (and any refunding opportunities), the Authority does not anticipate the issuance of any additional debt within the next three years. The Authority reserves the right to issue Additional Parity Bonds as specified in the Indenture.

Other Financial Considerations. As of Fiscal Year 2022, the City has a note outstanding in the amount of \$1,116,768 which is paid from revenues collected from water revenue impact fees.

Additionally, the City has a note outstanding for developer placed storm drain system improvements. The note is being paid from storm drain impact fees and credits used. The original amount of the note was \$3,136,549 and the current principal outstanding is \$1,884,685.75. As reimbursement is contingent upon impact fees assigned, there is no amortization schedule for this note.

See “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022—Notes to the Financial Statements—Note 11. Long-Term Debt—C. Note Payable” (ACFR page 64).

The City has also entered into various agreements for financing its capital equipment needs. As of Fiscal Year 2022, the present value of the minimum lease payments of the City's capital leases totals \$570,463, with annual payments scheduled through Fiscal Year 2025. See “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022—Notes to the Financial Statements—Note 11. Long Term Debt—Leases” (ACFR page 65).

Debt Service Schedule of Outstanding Sales Tax Revenue Bonds of Saratoga Springs By Fiscal Year (1)

Fiscal Year Ending June 30	Series 2017 \$9,780,000		Series 2011 \$4,000,000		Totals		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2022	\$ 410,000	\$ 261,025	\$ 200,000 (2)	\$ 92,250	\$ 610,000	\$ 353,275	\$ 963,275
2023	425,000	248,725	205,000 (2)	85,750	630,000	334,475	964,475
2024	435,000	235,975	210,000 (3)	79,088	645,000	315,063	960,063
2025	450,000	222,925	220,000 (3)	70,688	670,000	293,613	963,613
2026	460,000	209,425	230,000 (4)	61,888	690,000	271,313	961,313
2027	475,000	195,625	240,000 (4)	52,688	715,000	248,313	963,313
2028	490,000	181,375	250,000 (5)	43,088	740,000	224,463	964,463
2029	505,000	166,675	260,000 (5)	33,088	765,000	199,763	964,763
2030	520,000	151,525	270,000 (6)	22,688	790,000	174,213	964,213
2031	535,000	135,925	280,000 (6)	11,550	815,000	147,475	962,475
2032	550,000	119,875	—	—	550,000	119,875	669,875
2033	570,000	103,375	—	—	570,000	103,375	673,375
2034	585,000	86,275	—	—	585,000	86,275	671,275
2035	605,000	65,800	—	—	605,000	65,800	670,800
2036	625,000	44,625	—	—	625,000	44,625	669,625
2037	650,000	22,750	—	—	650,000	22,750	672,750
Totals	<u>\$8,290,000</u>	<u>\$2,451,900</u>	<u>\$2,365,000</u>	<u>\$552,763</u>	<u>\$10,655,000</u>	<u>\$3,004,663</u>	<u>\$13,659,663</u>

(1) This table includes Fiscal Year 2022 debt service payments as the City's current audit is for Fiscal Year 2022.

(2) Mandatory sinking fund payments from a \$405,000 3.25% Term Bond due June 1, 2023.

(3) Mandatory sinking fund payments from a \$430,000 4.00% Term Bond due June 1, 2025.

(4) Mandatory sinking fund payments from a \$470,000 4.00% Term Bond due June 1, 2027.

(5) Mandatory sinking fund payments from a \$510,000 4.00% Term Bond due June 1, 2029.

(6) Mandatory sinking fund payments from a \$550,000 4.125% Term Bond due June 1, 2031.

(Source: Municipal Advisor.)

Debt Service Schedule of Outstanding Water Revenue Bonds of Saratoga Springs By Fiscal Year (1)

Fiscal Year Ending June 30	Series 2016 \$9,710,000		Series 2014 \$9,995,000		Totals		
	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2022	\$ 395,000	\$ 287,275	\$ 475,000	\$ 218,875	\$ 870,000	\$ 506,150	\$ 1,376,150
2023	410,000	275,200	485,000	208,063	895,000	483,263	1,378,263
2024	425,000	258,425	495,000	195,813	920,000	454,238	1,374,238
2025	445,000	236,675	510,000	181,975	955,000	418,650	1,373,650
2026	470,000	213,800	525,000	166,450	995,000	380,250	1,375,250
2027	495,000	189,675	540,000	150,475	1,035,000	340,150	1,375,150
2028	515,000	169,575	560,000	133,975	1,075,000	303,550	1,378,550
2029	530,000	153,900	575,000	116,950	1,105,000	270,850	1,375,850
2030	545,000	137,775	595,000	99,400	1,140,000	237,175	1,377,175
2031	565,000 (2)	121,125	615,000	79,713	1,180,000	200,838	1,380,838
2032	580,000 (2)	103,950	635,000	57,838	1,215,000	161,788	1,376,788
2033	595,000	86,325	655,000	35,263	1,250,000	121,588	1,371,588
2034	615,000	68,175	680,000	11,900	1,295,000	80,075	1,375,075
2035	635,000	49,425	-	-	635,000	49,425	684,425
2036	655,000	30,075	-	-	655,000	30,075	685,075
2037	675,000	10,125	-	-	675,000	10,125	685,125
Totals	<u>\$8,550,000</u>	<u>\$2,391,500</u>	<u>\$7,345,000</u>	<u>\$1,656,688</u>	<u>\$15,895,000</u>	<u>\$4,048,188</u>	<u>\$19,943,188</u>

(1) This table includes Fiscal Year 2022 debt service payments as the City's current audit is for Fiscal Year 2022.

(2) Mandatory sinking fund payments from a \$1,145,000 3.00% Term Bond due December 1, 2031.

(Source: Municipal Advisor.)

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Debt Service Schedule of Outstanding Sewer Revenue Bonds of Saratoga Springs By Fiscal Year (1)

Fiscal Year Ending June 30	Series 2018 \$9,970,000		Total Debt Service
	Principal	Interest	
2022	\$ 415,000	\$ 291,413	\$ 706,413
2023	430,000	278,963	708,963
2024	440,000	266,063	706,063
2025	455,000	252,863	707,863
2026	470,000	239,213	709,213
2027	485,000	225,113	710,113
2028	500,000	210,563	710,563
2029	510,000	195,563	705,563
2030	530,000	180,263	710,263
2031	545,000	164,363	709,363
2032	560,000	148,013	708,013
2033	575,000	130,513	705,513
2034	595,000	111,825	706,825
2035	615,000	91,000	706,000
2036	640,000	69,475	709,475
2037	660,000	47,075	707,075
2038	685,000	23,975	708,975
Totals	<u>\$9,110,000</u>	<u>\$2,926,250</u>	<u>\$12,036,250</u>

(1) This table includes Fiscal Year 2022 debt service payments as the City's current audit is for Fiscal Year 2022.
(Source: Municipal Advisor.)

Debt Service Schedule of Outstanding Special Assessment Bonds of Saratoga Springs By Fiscal Year (1)

Fiscal Year Ending June 30	Series 2012 \$3,114,374.34		Total Debt Service
	Principal	Interest	
2022	\$ 81,000	\$ 34,287	\$115,287
2023	70,000	21,423	91,423
2024	72,000	19,393	91,393
2025	74,000	17,017	91,017
2026	77,000	14,168	91,168
2027	81,000	10,972	91,972
2028	85,500	5,743	91,243
2029	85,500	5,743	91,243
Totals	<u>\$626,000</u>	<u>\$128,746</u>	<u>\$754,746</u>

(1) This table includes Fiscal Year 2022 debt service payments as the City's current audit is for Fiscal Year 2022.
(Source: Municipal Advisor.)

Overlapping And Underlying General Obligation Debt Of The City

Taxing Entity	2023 Taxable Value (1)	City's Portion of Taxable Value	City's Percentage	Entity's General Obligation Debt	City's Portion of G.O. Debt
<i>Overlapping:</i>					
State of Utah	\$490,500,151,317	\$5,195,531,297	1.1%	\$1,469,510,000	\$15,565,510
CUWD (2)	303,710,134,260	5,195,531,297	1.7	116,365,000	1,990,642
Alpine School District	53,331,841,102	5,195,531,297	9.7	380,000,000	<u>37,019,196</u>
Total Overlapping					\$54,575,348
<i>Underlying:</i>					
Total Underlying					
Total <i>overlapping</i> and underlying general obligation debt (excluding the State) (3)					<u>\$39,009,838</u>
Total <i>direct</i> general obligation bonded indebtedness					<u>0</u>
Total <i>direct and overlapping</i> general obligation debt (excluding the State)					<u>\$39,009,838</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

- (1) Taxable value is preliminary, subject to change. Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property and valuation on semiconductor manufacturing equipment. See “FINANCIAL INFORMATION REGARDING THE CITY OF SARATOGA SPRINGS, UTAH—Certain Property Tax Matters—Taxable, Fair Market And Market Value Of Property” below.
- (2) Central Utah Water Conservancy District (“CUWCD”) outstanding general obligation bonds include certain repayment obligations to the United States and limited ad valorem tax bonds. By law CUWCD may levy a tax rate of up to 0.000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds, plus an additional 0.000100 tax levy if necessary to enable CUWCD to punctually pay its general obligation indebtedness.
- (3) The State’s general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

(Source: Municipal Advisor.)

For the City’s presentation regarding direct and overlapping debt as of Fiscal Year 2022 see “APPENDIX B— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022—Statistical Section—Direct and Overlapping Governmental Activities Debt as of June 30 2022” (ACFR page 94).

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the City, the estimated market value of such property and the population of the City. *The State’s general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2023 Estimated Taxable Value (1)	To 2023 Estimated Market Value (2)	Population Estimate Per Capita (3)
Direct general obligation debt	0.00%	0.00%	\$ 0
Direct and overlapping general obligation debt	0.75	0.47	790

- (1) Based on an estimated 2023 Taxable Value of \$5,195,531,297, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Based on an estimated 2023 Market Value of \$8,290,686,912, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (3) Based on 2022 population estimate of 49,354 by the U.S. Census Bureau.

(Source: Municipal Advisor.)

See “FINANCIAL INFORMATION REGARDING SARATOGA SPRINGS, UTAH—Certain Property Tax Matters—Property Tax Matters—Uniform Fees” and “—Taxable and Fair Market Value of Property” below.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the City is limited by State law to 12% of the fair market value of taxable property in the City (4% for general purposes and an additional 8% for sewer, water and electric purposes) as computed from the *last equalized property tax assessment roll* for State or County purposes prior to incurring the debt. The legal debt limit and additional debt incurring capacity of the City are based on the estimated fair market value for 2023 and the calculated valuation value from 2022 uniform fees, and are calculated as follows:

2023 "Estimated Fair Market Value"	\$8,290,686,912		
2022 valuation from Uniform Fees (1)	<u>22,364,908</u>		
2023 "Estimated Fair Market Value for Debt Incurring Capacity"	<u>\$8,313,051,820</u>		
	<u>8% Sewer, Water and Electric</u>	<u>4% Other Purposes</u>	<u>12% Total</u>
"Fair Market Value" x .08	\$665,044,146	\$ 0	\$665,044,146
"Fair Market Value" x .04	<u>0</u>	<u>332,522,073</u>	<u>332,522,073</u>
Total debt incurring capacity	665,044,146	332,522,073	997,566,218
Less: current outstanding general obligation debt	<u>0</u>	<u>0</u>	<u>0</u>
Additional debt incurring capacity	<u>\$665,044,146</u>	<u>\$332,522,073</u>	<u>\$997,566,218</u>

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the City, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the City.

(Source: Municipal Advisor.)

For a 10-year Fiscal Year history of the City's presentation of general obligation legal debt capacity see "APPENDIX B— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022—Statistical Section—Legal Debt Margin Information Last Ten Fiscal Years" (ACFR page 93).

FINANCIAL INFORMATION REGARDING SARATOGA SPRINGS, UTAH

Fund Structure And Accounting Basis

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (nonmajor) funds. Internal service funds are aggregated and reported in a single column on the proprietary fund financial statements.

Revenues and expenditures are recognized using the modified accrual basis of accounting in the governmental fund statements. Revenues are recognized in the accounting period in which they become both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues on cost-reimbursement grants are accrued when the related expenditures are incurred.

In the proprietary fund statements and the government-wide statements, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budget And Appropriation Process

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Utah Cities (the “Fiscal Procedures Act”). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds and capital improvement funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

On or before the first regular meeting of the City Council of the City in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer and mayor may revise the budget requests submitted by the heads of City departments, these submissions with the City Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the revenue from non-property tax sources available for each fund and the revenue from general property taxes required by each fund. The tentative budget is then tentatively adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearing on the tentative budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

Prior to June 22 of each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund in excess of the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, in order to increase the budget total of any fund, public notice and hearing must be provided. Intra- and inter-department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act. The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year.

Sources Of General Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City’s General Fund. The percentage of total General Fund revenues represented by each source is based on the City’s audited Fiscal Year 2022 period total General Fund revenues were \$34,204,607.

Taxes—Approximately 49.8% (or \$17,022,852) of General Fund revenues are from taxes.

Charges for Services—Approximately 28.3% (or \$9,691,899) of General Fund revenues are from charges for services.

Intergovernmental Services—Approximately 10.3% (or \$3,518,118) of General Fund revenues are intergovernmental services.

Licenses and Permits—Approximately 10.2% (or \$3,499,165) of General Fund revenues are collected from licenses, permits and other revenues.

Fines and Forfeitures—Approximately 1.3% (or \$449,703) of General Fund revenues are collected from fines and forfeitures.

Miscellaneous Revenue—Less than one percent (or \$38,188) of General Fund revenues are from sundry revenue.

Additional Information. For a 10-year Fiscal Year history of the City’s general governmental total revenues by source see “APPENDIX B— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022–Statistical Section–Governmental Activities Tax Revenues by Source Last Ten Fiscal Years” (ACFR page 85).

Financial Controls

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. State law requires budgets to be controlled by individual departments, but the City has also empowered the Finance Director to maintain control of major categories within departments. These controls are such that a requisition will not be entered into the purchasing system unless the appropriated funds are available. The Finance Director checks for sufficient funds again prior to the purchase order being issued and again before the payment check is issued.

Five-Year Financial Summaries

The summaries contained herein were extracted from the City's financial reports. The summaries themselves have not been audited.

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City of Saratoga Springs, Utah
Statement of Net Position

(This summary has not been audited)

	As of June 30				
	2022	2021	2020	2019	2018
Assets and deferred outflows of resources					
Assets					
Cash and cash equivalents	\$ 66,418,601	\$ 68,627,169	\$ 69,366,009	\$ 52,796,592	\$ 44,883,339
Accounts receivable–net	4,365,540	4,061,014	4,437,753	2,451,124	3,392,264
Due from other governmental units	4,646,643	4,026,492	3,668,622	3,213,403	2,897,153
Cash–restricted	20,994,248	20,164,677	2,862,129	7,086,454	19,861,313
Net pension asset	4,875,193	802,980	343,220	–	114,164
Special assessment receivable	–	–	–	3,149,206	2,544,927
Prepaid expenses	–	200	–	–	120,000
Capital assets					
Infrastructure	433,873,850	398,841,608	352,175,855	321,063,329	289,900,475
Land	32,717,269	27,376,707	27,376,707	26,373,788	25,437,888
Water rights	23,729,353	21,945,947	21,026,348	18,498,848	16,212,529
Buildings and improvements	15,118,144	14,686,484	14,665,356	6,265,925	6,265,925
Construction work in progress	19,407,946	3,624,532	14,283,250	9,623,342	11,365,077
Equipment	12,740,589	11,561,798	9,820,140	8,995,345	7,978,860
Accumulated depreciation	(164,168,716)	(147,781,811)	(132,607,108)	(118,463,931)	(105,832,938)
Net capital assets	373,418,435	330,255,265	306,740,548	272,356,646	251,327,816
Total assets	474,718,660	427,937,797	387,418,281	341,053,425	325,140,976
Deferred outflows of resources					
Pensions	2,643,592	2,349,554	2,110,452	3,071,841	2,605,063
Total deferred outflows of resources	2,643,592	2,349,554	2,110,452	3,071,841	2,605,063
Total assets and deferred outflows	\$ 477,362,251	\$ 430,287,351	\$ 389,528,733	\$ 344,125,266	\$ 327,746,039
Liabilities, deferred inflows of resources and net position					
Liabilities					
Long–term liabilities					
Due in more than one year	\$ 35,687,040	\$ 41,500,582	\$ 44,613,482	\$ 54,207,564	\$ 55,780,695
Due within one year	3,790,672	3,426,108	3,360,878	3,681,043	3,364,057
Unearned revenues	11,969,472	–	–	–	–
Deposits payable	11,434,184	16,981,729	16,316,796	8,704,959	8,005,219
Accounts payable	4,250,773	1,950,113	5,084,655	4,659,044	5,382,664
Accrued liabilities	924,452	1,117,477	609,609	525,393	415,858
Accrued interest payable	93,022	107,919	105,485	190,681	180,198
Total liabilities	68,149,615	65,083,928	70,090,905	71,968,684	73,128,691
Deferred inflows of resources					
Property taxes levied for future years	4,534,143	4,026,492	3,668,622	3,213,403	2,897,153
Pension related to costs	6,065,801	2,692,121	1,336,708	187,065	1,628,073
Total deferred inflows of resources	10,599,944	6,718,613	5,005,330	3,400,468	4,525,226
Net position					
Net investment in capital assets	334,868,462	289,803,716	264,403,543	240,541,175	223,665,022
Unrestricted	46,430,327	51,367,191	50,028,955	28,214,939	26,427,100
Restricted for impact fees	17,313,903	17,313,903	–	–	–
Total net position	398,612,692	358,484,810	314,432,498	268,756,114	250,092,122
Total liabilities, deferred inflows and net position	\$477,362,251	\$430,287,351	\$389,528,733	\$344,125,266	\$327,746,039

(Source: Information taken from the City’s audited basic financial statements for the indicated years, compiled by the Municipal Advisor.)

City of Saratoga Springs, Utah
Statement of Activities (1)

(This summary has not been audited.)

(Net (Expense) Revenue and Changes in Net Position)

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Primary government					
Governmental activities					
General government	\$ (3,094,421)	\$ (2,986,481)	\$ (3,240,752)	\$ (2,564,078)	\$ (2,200,106)
Parks and recreation	(3,714,720)	(2,516,536)	(1,801,152)	(2,175,000)	(1,442,226)
Public safety	1,722,705	3,469,666	1,527,087	(1,133,106)	(612,784)
Community development	63,114	71,156	—	—	—
Interest on long-term debt	(346,684)	(358,760)	(429,622)	(571,051)	(726,526)
Highways and public works	14,185,033	7,810,465	6,824,331	1,922,833	2,176,883
Total governmental activities	8,815,027	5,489,510	2,879,892	(4,520,402)	(2,804,759)
Business-type activities					
Major funds					
Water	3,299,844	14,939,321	17,534,979	9,693,471	9,394,953
Sewer	4,615,032	5,606,808	7,720,717	2,110,602	2,620,765
Storm drain	4,268,223	5,853,431	4,758,885	2,217,178	2,496,040
Non major funds					
Street lights	450,277	434,774	729,499	192,223	—
Garbage	123,885	(374,249)	(68,390)	(155,098)	(69,178)
Total business-type activities	12,757,261	26,460,085	30,675,690	14,058,376	14,442,580
Total primary government	21,572,288	31,949,595	33,555,582	9,537,974	11,637,821
General revenues					
General sales and use tax	9,457,461	7,306,384	5,954,505	4,708,384	4,146,681
Property taxes	4,923,713	4,329,318	4,277,816	3,555,528	3,154,305
Energy taxes	2,430,027	1,998,451	1,187,128	1,097,410	1,067,046
Interest earnings	(92,500)	244,031	511,135	663,435	528,098
Franchise taxes	170,266	164,979	190,220	205,177	223,363
Gain (loss) on sale of assets	1,439,950	127,240	—	—	—
Total general revenues and transfers	18,328,917	14,170,403	12,120,804	10,229,934	9,119,493
Change in net position	39,901,205	46,119,998	45,676,386	19,767,908	20,757,314
Net position—beginning, restated	358,484,810	314,432,500	268,756,114	248,988,206	229,334,808
Net position as restated	191,155	(2,067,686)	—	—	—
Net position—ending	\$398,577,170	\$358,484,812	\$314,432,500	\$268,756,114	\$250,092,122

(1) This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Position” and is not intended to be complete. For a detailed itemized report see “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022.”

(Source: Information taken from the City’s audited basic financial statements for the indicated years, compiled by the Municipal Advisor.)

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City of Saratoga Springs, Utah
Balance Sheet—General Fund
General Fund

(This summary has not been audited.)

	As Of June 30				
	2022	2021	2020	2019	2018
Assets					
Cash and cash equivalents	\$ 19,469,196	\$ 25,046,617	\$ 26,392,092	\$ 13,671,681	\$ 11,916,102
Due from other governmental units	4,534,143	4,026,492	3,668,622	3,213,403	2,897,153
Accounts receivables (net)	2,675,206	2,398,973	2,955,569	1,354,705	1,196,065
Due from other funds	4,861,448	146,814	296,275	296,275	296,275
Prepays	—	200	—	—	120,000
Total assets	\$ 31,539,993	\$ 31,619,096	\$ 33,312,558	\$ 18,536,064	\$ 16,425,595
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Deposits	\$ 10,748,080	\$ 16,317,950	\$ 15,723,199	\$ 8,158,349	\$ 7,482,865
Accounts payable	782,360	722,567	3,711,485	414,312	771,676
Accrued liabilities	924,452	1,117,477	587,467	502,270	415,858
Unearned revenue	4,714,634	—	—	—	—
Due to other funds	—	—	149,461	149,461	149,461
Total liabilities	17,169,526	18,157,994	20,171,612	9,224,392	8,819,860
Deferred inflows of resources					
Property taxes levied for future years	4,626,746	4,160,479	3,839,138	3,213,403	2,897,153
Total deferred inflows of resources	4,626,746	4,160,479	3,839,138	3,213,403	2,897,153
Fund balances					
Unassigned fund balance	9,743,721	9,300,623	9,301,808	6,098,269	4,588,582
Nonspendable prepaid expenditures	—	—	—	—	120,000
Total fund balances	9,743,721	9,300,623	9,301,808	6,098,269	4,708,582
Total liabilities, deferred inflows and fund balances	\$ 31,539,993	\$ 31,619,096	\$ 33,312,558	\$ 18,536,064	\$ 16,425,595

(Source: Information taken from the City's audited basic financial statements for the indicated years, compiled by the Municipal Advisor.)

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City of Saratoga Springs
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds—General Fund

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Revenues					
Taxes	\$17,022,852	\$13,835,661	\$ 11,439,153	\$ 9,566,499	\$ 8,591,396
Charges for services	9,691,899	8,454,174	6,353,918	5,313,999	4,592,691
Intergovernmental revenue	3,518,118	3,049,009	2,731,871	1,552,581	1,255,756
Licenses and permits	3,499,165	3,269,807	1,893,642	1,360,909	1,440,007
Fines and forfeitures	449,703	384,368	435,075	505,381	456,796
Investment earnings	(15,318)	138,745	308,313	305,219	162,642
Other	38,188	137,787	53,554	30,845	326,264
Total revenues	34,204,607	29,269,551	23,215,526	18,635,433	16,825,552
Expenditures					
Current					
Public safety	11,886,441	10,059,952	8,611,088	7,983,674	7,285,385
General government	4,080,965	3,211,765	3,358,672	2,541,928	2,287,597
Parks and recreation	4,273,188	3,159,015	2,392,074	2,435,675	1,981,859
Highways and public works	2,784,628	1,849,973	900,265	1,532,074	1,518,254
Debt Service					
Principal retirement	200,000	190,000	185,000	175,000	170,000
Interest and fiscal charges	92,181	104,673	109,099	116,197	123,249
Total expenditures	23,317,403	18,575,378	15,556,198	14,784,548	13,366,344
Excess of revenues over (under) expenditures	10,887,204	10,694,173	7,659,328	3,850,885	3,459,208
Other financing sources (uses)					
Transfers in	–	78,024	364,577	–	–
Sales of assets	29,070	177,818	7,810	11,978	–
Transfers out	(10,473,176)	(10,951,200)	(4,828,176)	(2,473,176)	(2,412,858)
Total other financing sources (uses)	(10,444,106)	(10,695,358)	(4,455,789)	(2,461,198)	(2,412,858)
Net change in fund balances	443,098	(1,185)	3,203,539	1,389,687	1,046,350
Fund balance at beginning of year, as restated	9,300,623	9,301,808	6,098,269	4,708,582	3,662,232
Fund balance at end of year	\$ 9,743,721	\$ 9,300,623	\$ 9,301,808	\$ 6,098,269	\$ 4,708,582

(Source: Information taken from the City’s audited basic financial statements for the indicated years, compiled by the Municipal Advisor.)

For a 10–year financial history of various City funds see “APPENDIX B— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022–Statistical Section” at the indicated pages as set forth below.

- (i) “Net Position by Component Last Ten Fiscal Years” (ACFR page 80);
- (ii) “Changes in Net Position Last Ten Fiscal Years” (ACFR page 81);
- (iii) “Fund Balances of Governmental Funds Last Ten Fiscal Years” (ACFR page 83); and
- (iv) “Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years” (ACFR page 84).

Certain Property Tax Matters

The following information with respect to certain property tax matters is included in this OFFICIAL STATEMENT to provide background information relating to a major source of general fund revenues of the City. As described herein, the 2023 Bonds are not secured by any pledge of property tax revenues and do not constitute a debt or indebtedness of the City or the Authority. Also, see “INVESTMENT CONSIDERATIONS” above.

Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally-assessed property (as defined under “Property Tax Matters” below) by May 1 of each year. County assessors must assess all locally-assessed property (as defined under “Property Tax Matters” below) before May 22 of each year. The State Tax Commission apportions the value of centrally-assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate before June 22; provided if the governing body has not received the taxing entity’s certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally-assessed property or any county showing reasonable cause, may, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections, and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Without an extension by a County legislative body, taxes are due November 30 (and if a Saturday, Sunday or holiday, the next business day). Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10 whichever is greater (delinquent taxes paid on or before January 31 immediately following the delinquency date the penalty is 1% of the amount of the delinquent tax or \$10 whichever is greater). Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Market Committee plus 6% from the January 1 following the delinquency date until paid (said interest may not be less than 7% nor more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under “Public Hearing On Certain Tax Increases” below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “Public Hearing On Certain Tax Increases” below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax more than the certified tax rate. The final tax notice is then mailed by November 1.

Public Hearing On Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so (by resolution) only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the

certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate based on its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the “fair market value” of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property (“centrally-assessed property”), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property (“locally-assessed property”) is required to be assessed by the county assessor of the county in which such locally-assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data by using a State mandated mass appraisal system and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation, or accepted practice, to determine the “fair market value” of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more; watercraft, motorcycles, recreational vehicles, and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft, commercial vehicles, and property subject to a fixed age-based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to an age-based fee that is due each time the vehicle is registered. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is in the same proportion in which revenue collected from ad valorem real property is distributed.

Historical Ad Valorem Tax Rates

The maximum rate of levy applicable to the City for general fund operations authorized by Utah law is 0.007000 per dollar of taxable value of taxable property within the City *The City may levy an unlimited tax levy to pay the principal of and interest on legally issued general obligation bonds.*

Description	Maximum Limit	Property Tax Rate (Fiscal/Calendar Year)				
		2023	2022	2021	2020	2019
General Operations	0.007000	<u>0.001043</u>	<u>0.001028</u>	<u>0.001359</u>	<u>0.001446</u>	<u>0.001570</u>
Total		<u>0.001043</u>	<u>0.001028</u>	<u>0.001359</u>	<u>0.001446</u>	<u>0.001570</u>

(Source: Reports from the Utah State Tax Commission, compiled by the Municipal Advisor.)

Comparative Ad Valorem Total Property Tax Rates Within Utah County

This table only reflects those municipal entities and property tax rates within the County.

Tax Levying Entity (1)	Total Tax Rate Within Taxing Area (Calendar/Fiscal Year)				
	2023	2022	2021	2020	2019
Alpine School District					
American Fork	0.008498	0.008602	0.010013	0.010324	0.009965
Cedar Fort	0.007195	0.007393	0.008923	0.009073	0.008639
Cedar Hills	0.007859	0.008046	0.009821	0.010064	0.009692
Eagle Mountain	0.008585	0.008816	0.010684	0.011419	0.010950
Fairfield	0.007384	0.007551	0.009241	0.009421	0.008760
Highland	0.007505	0.007740	0.009448	0.009634	0.009209
Lehi	0.007870	0.008118	0.009763	0.009877	0.009501
Lindon	0.007564	0.007830	0.009442	0.009592	0.009196
Orem	0.009424	0.009453	0.009541	0.010130	0.009566
Pleasant Grove	0.008185	0.008226	0.009823	0.010020	0.009689
Saratoga Springs	0.007754	0.007951	0.009685	0.009864	0.009525
Vineyard	0.009553	0.009826	0.011655	0.011667	0.011324

(1) These tax rates represent a taxing district within the city or town with the highest combined total tax rates of all overlapping taxing districts.
(Source: Reports from the Utah State Tax Commission, compiled by the Municipal Advisor.)

Taxable, Fair Market And Market Value Of Property

Calendar Year	Taxable Value (1)	% Change Over Prior Year	Fair Market/Market Value (2)	% Change Over Prior Year
2023*	\$5,195,531,297	9.4%	\$8,290,686,912	9.5%
2022	4,749,098,723	49.0	7,569,910,567	49.9
2021	3,188,222,249	18.0	5,049,092,309	18.6
2020	2,702,424,854	22.5	4,256,957,506	20.1
2019	2,206,686,112	22.6	3,544,000,147	21.4

*Preliminary; subject to change. Fair Market/Market Value calculated by Zions Public Finance, Inc.

- (1) Taxable valuation includes redevelopment agency valuation but excludes semi-conductor manufacturing equipment ("SCME"). The estimated redevelopment agency valuation for Calendar Year 2023 was approximately \$158 million; for Calendar Year 2022 was approximately \$112 million; for Calendar Year 2021 was approximately \$97 million; for Calendar Year 2020 was approximately \$73 million; and for Calendar Year 2019 was approximately \$69 million.
- (2) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. Does not include market valuation for SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

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Historical Summaries Of Taxable Value Of Property

	Calendar Year				
	2023	2022	2021	2020	2019
Set by State Tax Commission (centrally assessed)	Taxable Value*	Taxable Value	Taxable Value	Taxable Value	Taxable Value
Total centrally assessed	\$34,951,495	\$42,233,806	\$40,565,689	\$39,508,986	\$35,379,348
Set by County Assessor (locally assessed)					
Real property					
Primary residential	3,782,967,974	3,447,658,921	2,274,396,740	1,899,984,353	1,634,494,932
Secondary residential	49,202,102	44,841,000	15,617,600	13,974,300	1,337,300
Commercial and industrial	379,143,489	345,537,536	266,266,648	232,681,750	189,540,592
FAA (greenbelt)	1,086,727	990,403	1,264,746	2,623,195	3,826,075
Unimproved non FAA (1)	903,341,743	823,272,690	550,045,165	481,911,990	314,370,720
Agricultural	3,084,499	2,811,100	2,472,500	2,513,100	2,587,892
Total real property	5,118,826,535	4,665,111,650	3,110,063,399	2,633,688,688	2,146,157,511
Personal property					
Primary mobile homes	-	-	-	-	-
Secondary mobile homes	-	-	-	-	-
Other business	41,753,267	41,753,267	37,593,161	29,227,180	25,149,253
SCME	-	-	-	1,210	1,715
Total personal property	41,753,267	41,753,267	37,593,161	29,228,390	25,150,968
Total locally assessed	5,160,579,802	4,706,864,917	3,147,656,560	2,662,917,078	2,171,308,479
Total taxable value	\$5,195,531,297	\$4,749,098,723	\$3,188,222,249	\$2,702,426,064	\$2,206,687,827
Total taxable value (2)	\$5,195,531,297	\$4,749,098,723	\$3,188,222,249	\$2,702,424,854	\$2,206,686,112

*Preliminary; subject to change.

(1) Vacant

(2) Not including taxable valuation associated with SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Ad Valorem Property Tax Collection Record

Ad valorem property taxes are due on November 30th of each year. Fiscal Year 2022 taxes (Tax Year/Calendar Year 2022) were due on November 30, 2022. *Final Tax Year/Calendar Year 2023 tax collections are not available.*

Tax Year	Total Taxes	Treasurer's	Net Taxes	Current	Delinquent Personal Property and Miscellaneous Collections (3)	Total Collections (4)	% of Current Collections to Net Taxes	% of Total Collections to Net Taxes
<u>End 12/31</u>	<u>Levied (1)</u>	<u>Relief (2)</u>	<u>Assessed</u>	<u>Collections</u>			<u>Assessed</u>	<u>Assessed</u>
2022	\$4,895,894	\$47,576	\$4,848,317	\$4,578,343	\$487,585	\$5,065,928	94.4%	104.5%
2021	\$4,336,148	48,152	4,287,996	4,057,941	596,553	4,654,494	94.6	108.5
2020	3,911,332	41,750	3,869,582	3,579,440	390,161	3,969,601	92.5	102.6
2019	3,468,549	41,308	3,427,242	3,263,926	513,457	3,777,383	95.2	110.2
2018	3,118,868	35,216	3,083,652	2,886,994	342,030	3,229,024	93.6	104.7

(1) Excludes redevelopment agencies valuation.

(2) Treasurer's Relief includes abatements established by statute to low-income, elderly and for hardship situations. These Treasurer's Relief items are levied against the property but are never collected and paid to the entity.

(3) Delinquent Collections include interest, sales of real and personal property, reallocation of personal property and miscellaneous delinquent collections.

(4) In addition to the Total Collections indicated above, the City also collected Uniform Fees (fees-in-lieu payments) for Tax Year 2022 of \$335,474; for Tax Year 2021 of \$336,185; for Tax Year 2020 of \$308,251; for Tax Year 2019 of \$313,431; and for Tax Year 2018 of \$301,399; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.

(Source: Information taken from Utah State Tax Commission reports and compiled by Zions Public Finance, Inc.)

Some of the Largest Ad Valorem Property Tax Taxpayers

The City's single largest property taxpayer in Fiscal Year 2022 was the real estate holdings of WF2 Utah LLC. This company comprised approximately 0.6% of the City's total taxable valuation for Fiscal Year 2022. The top 10 largest property taxpayers comprised approximately 4.5% of the City's total taxable valuation for Fiscal Year 2022.

The 10 largest ad valorem property taxpayers for Fiscal Year 2022 (Tax Year 2022) are as follows.

Taxpayer	Type of Business	2022 Taxable Value	% of 2022 Taxable Value
WF2 Utah LLC	Real Estate	\$30,806,200	0.6%
Ivory Teguayo Holdings, LLC	Real Estate	29,863,100	0.6
IHC Health Services	Health Services	28,838,600	0.6
Boyer Saratoga Holdings	Real Estate	24,390,500	0.5
Aldara Apartment Associates LLC	Apartments	24,056,065	0.5
Wal-Mart Real Estate Business Trust	Retail	22,338,100	0.4
Costco Wholesale Corporation	Warehouse Retail	19,522,400	0.4
Evergreen-Crossroads & Redwood LLC	Real Estate	19,418,900	0.4
FC Saratoga LLC	Commercial	18,049,400	0.3
Boyer Saratoga Holdings III LLC	Real Estate	<u>17,541,800</u>	<u>0.3</u>
Totals		<u>\$234,825,065</u>	<u>4.5%</u>

(Source: Utah County Treasurer.)

LEGAL MATTERS

Absence Of Litigation Concerning The 2023 Bonds

There is no litigation pending or threatened against the 2023 Bonds questioning or in any manner relating to or affecting the validity of the 2023 Bonds.

On the date of the execution and delivery of the 2023 Bonds, certificates will be delivered by the Authority and the City to the effect that to the knowledge of the Authority and the City, there is no action, suit, proceeding or litigation pending or threatened against the Authority or the City, which in any way materially questions or affects the validity or enforceability of the 2023 Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the Authority or the City.

A non-litigation opinion issued by City Attorney, Kevin Thurman, dated the date of closing, will be provided stating, among other things, that there is not now pending, or to her knowledge threatened, any action, suit, proceeding, inquiry, or any other litigation or investigation, at law or in equity, before or by any court, public board or body, challenging the creation, organization or existence of the City or the Authority, or the titles of their respective officers to their respective offices, or the ability of the City, the Authority or their respective officers to authenticate, execute or deliver the 2023 Bonds or such other documents as may be required in connection with the issuance and sale of the 2023 Bonds, or to comply with or perform their respective obligations thereunder, or seeking to restrain or enjoin the issuance, sale or delivery of the 2023 Bonds, or directly or indirectly contesting or affecting the proceedings or the authority by which the 2023 Bonds are issued, the legality of the purpose for which the 2023 Bonds are issued, or the validity of the 2023 Bonds or the issuance and sale thereof.

General

All legal matters incident to the authorization and issuance of the 2023 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the Authority. Certain legal matters regarding this OFFICIAL STATEMENT will be passed upon by Gilmore & Bell, P.C. Certain legal matters will be passed upon for the Authority and the City Attorney, Kevin Thurman. The approving opinion of Bond Counsel will be delivered with the 2023 Bonds. The approving opinion of Bond Counsel will be delivered with the 2023 Bonds. See "APPENDIX C—FORM OF OPINION OF BOND COUNSEL."

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2023 Bonds. This summary is based upon laws, regulations, rulings, and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2023 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2023 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2023 Bonds.

Opinion Of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under the law currently existing as of the issue date of the 2023 Bonds:

Federal Tax Exemption. The interest on the 2023 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The interest on the 2023 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

State of Utah Tax Exemption. The interest on the 2023 Bonds is exempt from State of Utah individual income taxes.

The 2023 Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the 2023 Bonds, subject to the condition that the Authority and the City comply with all requirements of the Code, as amended that must be satisfied subsequent to the issuance of the 2023 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority and the City have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2023 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2023 Bonds.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state, or local tax consequences arising with respect to the 2023 Bonds, except as expressly provided herein. Purchasers of the 2023 Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership, and disposition of the 2023 Bonds, including the possible application of state, local, foreign, and other tax laws.

Other Tax Consequences

[Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2023 Bond over its issue price. The stated redemption price at maturity of a 2023 Bond is the sum of all payments on the 2023 Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2023 Bond is generally the first price at which a substantial amount of the 2023 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a 2023 Bond during any accrual period generally equals (1) the issue price of that 2023 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2023 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2023 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that 2023 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a 2023 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a 2023 Bond is the sum of all payments on the 2023 Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2023 Bond is generally the first price at which a substantial amount of the 2023 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the

term of the 2023 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the 2023 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2023 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange, or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a 2021 Bond, an owner of the 2023 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the 2023 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2021 Bond. To the extent a 2023 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the 2023 Bond has been held for more than 12 months at the time of sale, exchange, or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2023 Bonds, and to the proceeds paid on the sale of the 2023 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2023 Bonds should be aware that ownership of the 2023 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2023 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2023 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership, and disposition of the 2023 Bonds, including the possible application of state, local, foreign, and other tax laws.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2023 Bonds have been rated "___" by [S&P]. An explanation of this rating may be obtained from S&P. The Authority did not apply for a rating from Fitch Ratings or Moody's Investor Service.

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2023 Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own.

There is no assurance that the rating given the outstanding 2023 Bonds will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2023 Bonds.

Trustee

The obligations and duties of the Trustee are described in the Indenture and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indenture. The Trustee has not independently passed upon the validity of the 2023 Bonds, the security therefor, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2023 Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture.

Municipal Advisor

The Authority has requested, and the City has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the 2023 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2023 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty or warranty respecting the accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the City as of June 30, 2022, included in this OFFICIAL STATEMENT, have been audited by Gilbert & Stewart, Certified Public Accountants, Provo, Utah, as stated in their report in “APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SARATOGA SPRINGS, UTAH FOR FISCAL YEAR 2022.” Gilbert & Stewart has not been engaged to perform and has not performed, since the date of their report included in the financial statements, any procedures on the financial statements.

Gilbert & Stewart has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs, laws of the State, court decisions, the Indenture and the Master Lease do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions, Indenture and Master Lease for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as a representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Authority and the City.

Local Building Authority of Saratoga Springs, Utah

Saratoga Springs, Utah

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APPENDIX A

EXTRACTS OF THE GENERAL INDENTURE OF TRUST AND THE MASTER LEASE

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APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SARATOGA SPRINGS, UTAH (ACFR) FOR FISCAL YEAR 2022

The financial report for Fiscal Year 2022 is contained herein. *The City's financial report for Fiscal Year 2023 must be completed under State law by December 31, 2023.*

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2023 Bonds, Gilmore & Bell, P.C., Bond Counsel to the Authority, proposes to issue its final approving opinion in substantially the following form:

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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APPENDIX E

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2023 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2023 Bonds, except in the event that use of the book-entry system for the 2023 Bonds is discontinued.

To facilitate subsequent transfers, all 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of 2023 Bonds may wish to ascertain that the nominee holding the 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2023 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2023 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2023 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2023 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

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SYRACUSE
EST. CITY 1935

The Gateway to Antelope Island

EXHIBIT H

CERTIFICATE OF USEFUL LIFE

CERTIFICATE REGARDING ESTIMATED USEFUL LIFE

The undersigned, _____ of _____, has acted as the [Architect or Engineer] for the Local Building Authority of the City of Saratoga Springs, Utah in connection with the construction of city offices and all related improvements (the “2023 Project”), and based upon the foregoing, the undersigned hereby certifies to the best of his/her knowledge that the estimated useful life of the 2023 Project is not less than forty (40) years assuming proper maintenance and repair.

Dated: October ____, 2023

By: _____