

Virgin, Utah

July 2, 2024

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

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

Also Present:

|                  |           |
|------------------|-----------|
| Krystal Percival | Secretary |
| _____            | _____     |

Absent:

|       |       |
|-------|-------|
| _____ | _____ |
|-------|-------|

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

STATE OF UTAH )  
 : SS.  
COUNTY OF WASHINGTON )

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

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

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

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

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

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

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

By [Signature]  
Secretary

[SEAL]



EXHIBIT A

[Attach Notice of Public Meeting]

## NOTICE AND AGENDA OF REGULAR MEETING

\* \* \* \* \*

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

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

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

DATED this 1st day of July, 2024.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

By   
Secretary

Thereupon, after the conduct of other business not pertinent to the following, the following Resolution was introduced, in written form by the President and, pursuant to motion duly made by Jean Krause, and seconded by Marci Holm, was adopted by the following vote.

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

Nay: None.

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

The Resolution is as follows:

RESOLUTION NO. R2024-0

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

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

WHEREAS, pursuant to the direction of the Mayor and Town Council contained in the

Creating Resolution, the Authority has been duly and regularly created, established, and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (collectively, the "Act"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles"), the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the Town in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the Town exists; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section 11.** If any provisions of this Resolution (including the exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the exhibits.

**Section 12.** The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the Lease, the Master Resolution, the Security Documents, the Series 2024 Bond, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the Town or the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and any resolution of the Authority.

**Section 13.** The form, terms and provisions of the Series 2024 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be set forth in the Master Resolution. The President and the Secretary of the Issuer are hereby authorized and directed to execute and seal the Series 2024 Bonds.

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

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

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

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

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

#### NOTICE OF PUBLIC HEARING

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

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

DATED this 2nd day of July, 2024.

/s/ Krystal Percival  
Secretary

[Publish once each week for two consecutive weeks.]

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

substantially the following form:

### NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN that on July 2, 2024, the Board of Trustees of the Local Building Authority of Virgin Town, Washington County, Utah (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Lease Revenue Bonds (the "Bonds") pursuant to the provisions of the Utah Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (collectively, the "Act").

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

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

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

### OUTSTANDING BONDS SECURED BY THE SAME REVENUE

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

### ESTIMATED TOTAL COST OF THE BONDS

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

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

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

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

DATED this 2nd day of July, 2024.

/s/ Krystal Percival  
Town Clerk

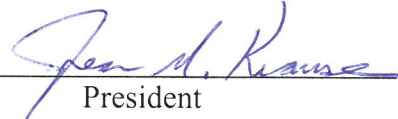
[Publish once each week for two consecutive weeks.]

**Section 19.** All bylaws, orders and resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

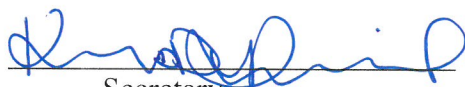
**Section 20.** This Resolution shall become effective immediately upon adoption by the Governing Board of the Authority.

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

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

By   
President

ATTEST:

  
Secretary

[SEAL]



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

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

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

By John M. Kause  
President

ATTEST:

[Signature]  
Secretary

[SEAL]



COUNTY OF WASHINGTON

EXHIBIT "B"

LEASE

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

EXHIBIT "C"

MASTER RESOLUTION

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

EXHIBIT "D"

SECURITY DOCUMENTS

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

SCHEDULE 1  
NOTICE OF MEETING

## SCHEDULE 2

### Notice of Annual Meetings