

MASTER RESOLUTION

OF

LOCAL BUILDING AUTHORITY OF  
VIRGIN TOWN,  
WASHINGTON COUNTY, UTAH

AS ISSUER

DATED AS OF FEBRUARY 2, 2026  
Supplementing the Master Resolution dated as of March 1, 2025

## MASTER RESOLUTION

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

WHEREAS, pursuant to the direction of the Mayor and Town Council of the Town (the "Governing Body") contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended (the "Nonprofit Corporation Act") and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated, as amended (the "Utah Local Building Authority Act" and collectively with the Nonprofit Corporation Act, the "Acts"); and

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

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

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

WHEREAS the Authority has previously issued a bond for the purchase of property for the Project, consisting of the Local Building Authority of Virgin Town Lease Revenue Bond, Series 2025, in the original principal amount of \$1,800,000 (the "2025 Bond"); and

WHEREAS, the State Bank of Southern Utah, as bondholder of the 2025 Bond and the Bond herein has agreed to lend to the Authority an additional \$700,000 for additional costs of the Project (as defined herein); and

WHEREAS, the Authority now desires to finance such Project through the issuance of its Lease Revenue Bonds, Series 2026 (the "Series 2026 Bonds"); and

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

WHEREAS, under the provisions of a Resolution of the Town adopted on July 2, 2024 (the "Town Resolution"), the Town has authorized and approved the execution of the Lease and has authorized and approved certain actions to be taken by the Authority in connection with the financing of the Project, including the adoption of this Master Resolution and the issuance of the Series 2026 Bonds hereunder; and

WHEREAS, pursuant to the provisions of a Resolution adopted on July 2, 2024 (the "Authorizing Resolution"), the Governing Board of the Authority (the "Governing Board") has authorized, approved and directed the execution of the Lease and has authorized and approved certain actions to be taken by the Authority in connection with the financing of the Project, including the adoption this Master Resolution and the issuance of the Series 2026 Bonds hereunder; and

WHEREAS, it has been determined by the Town and the Authority that additional funds are necessary to finance the Project, which requires the issuance, sale and delivery of the Series 2026 Bonds in the total principal amount of \$700,000 as hereinafter provided; and

WHEREAS, the Authority has determined that the Series 2026 Bonds shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Series 2026 Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Series 2026 Bonds; and

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

WHEREAS, the Series 2026 Bonds in registered form are to be in substantially the form set forth in Exhibit "A" hereto, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Series 2026 Bonds when authenticated by the Authority and issued as in this Master Resolution provided, the valid, binding and legal obligations of the Authority according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal of an premium, if any, and interest, if any, on the Series 2026 Bonds, and to constitute this Master Resolution a valid assignment of (i) the rights of the Authority with respect to the Project under the Lease (except the rights of the Authority under Sections 6.3(d), 13.3 and 14.5 of the Lease) and (ii) the rights of the

Town with respect to the Project have been done and performed and the creation, execution and delivery of this Master Resolution, and the creation, execution and issuance of the Series 2026 Bonds, subject to the terms hereof, have in all respects been duly authorized; and

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

## ARTICLE I

### DEFINITIONS

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

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

“Bond” or “Bonds” means collectively the Series 2026 Bonds, the Series 2025 Bond and any Additional Bonds and Refunding Bonds issued hereunder, issued in substantially the same form as set forth in Exhibit “A”.

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

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

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

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

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

“Escrow Agent” means State Bank of Southern Utah, or its successors and assigns.

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

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

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

(a) State and Local Government Series issued by the United States Treasury (“SLGS”);

(b) United States Treasury bills, notes and bonds, as traded on the open market; and

(c) Zero Coupon United States Treasury Bonds.

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

“Lease” means the Lease Agreement dated as of February 5, 2026, between the Authority, as lessor, and the Town, as lessee, and any amendments and supplements thereto.

“Original Issue Date” means the initial delivery date of the Series 2026 Bonds.

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

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds shall have been theretofore deposited with a trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given;

(c) Bonds in lieu of which others have been authenticated under Section 4.3, Section 4.6, Section 4.7 and Section hereof; and

(d) Bonds deemed paid under Article X of this Master Resolution.

“Paying Agent” with respect to the Series 2026 Bonds means the Secretary of the Authority, and his/her successors.

“Principal Payment Date” means each March 15 commencing March 15, 2027.

“Project” means financing the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities for Town purposes, as more fully described in Exhibit C hereto and the acquisition of an ownership interest in the Project Site by the Authority.

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

“Registrar” with respect to the Series 2026 Bonds means the Secretary of the Authority, and his/her successors.

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

“Series 2025 Bond or Bonds” means the Authority’s Lease Revenue Bonds, Series 2025 issued in the aggregate principal amount of \$1,800,000 bearing interest at the rate of 5.50% per annum on the unpaid principal amount.

“Series 2026 Bonds or Bond” means the Authority’s Lease Revenue Bonds, Series 2026 issued in the aggregate principal amount of \$700,000 and bearing interest at the rate of 5.37% per annum on the unpaid principal amount.

“State Bank” means State Bank of Southern Utah.

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

## ARTICLE II

### THE SERIES 2026 BONDS

Section 2.1. Authorized Amount of Bonds. No Series 2026 Bonds may be issued under the provisions of this Master Resolution except in accordance with this Article. The total principal amount of Series 2026 Bonds that may be issued is hereby expressly limited to \$700,000 except as provided in Section 4.3, Section 4.6 Section 4.7 and Section 4.8 thereof.

The Series 2026 Bonds shall be in such form as to permit the State Bank to make incremental advances on its total loan commitment to the Issuer during the period of acquisition and construction, if any, of the Project.

Section 2.2. Parity Designation. The Series 2026 Bond is issued and sold upon a par with the Issuer’s Lease Revenue Bond, Series 2025 (sometimes referred as the “Series 2025 Bond”) in the original principal amount of \$1,800,000 payable to the State Bank of Southern Utah under a Master Resolution of March 1, 2025. Neither the Series 2026 Bond nor the Series 2025 Bond shall be entitled to any priority one over the other in the application of the Base Rental Payments pledged to the payment of the Series 2026 Bond and the Series 2025 Bond, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2026 Bond or the Series 2025 Bond in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

Section 2.3. Issuance of Series 2026 Bonds. For purposes of (i) financing all or a portion of the cost of acquiring the Project and (ii) paying costs of issuance of the Series 2026 Bonds, the Authority hereby authorizes the issuance of its Series 2026 Bonds in the principal amount of

\$700,000. The Series 2026 Bonds shall be issued in substantially the form set forth in Exhibit "A", in fully registered form, shall bear interest and shall be payable as specified herein. The Series 2026 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2026 Bonds shall be designated as, and shall be distinguished from Bonds of all other Series by the title, "Local Building Authority of Virgin Town, Washington County, Utah Lease Revenue Bond, Series 2026."

The Series 2026 Bond shall be dated the Original Issue Date shall accrue interest from the Original Issue Date on the unpaid principal balance at the rate of 5.37% per annum and shall mature on the dates and in the amounts as follows:

<u>Payment Date</u>	<u>Total Principal Series 2026 Bond</u>	<u>Interest Payment Series 2026 Bond</u>	<u>Total Payment</u>
March 15, 2027	\$25,149.31	\$41,503.48	\$66,652.79
March 15, 2028	\$30,413.30	\$36,239.48	\$66,652.79
March 15, 2029	\$32,046.50	\$34,606.29	\$66,652.79
March 15, 2030	\$33,767.40	\$32,885.39	\$66,652.79
March 15, 2031	\$35,580.71	\$31,072.08	\$66,652.79
March 15, 2032	\$37,491.39	\$29,161.40	\$66,652.79
March 15, 2033	\$39,504.68	\$27,148.11	\$66,652.79
March 15, 2034	\$41,626.08	\$25,026.71	\$66,652.79
March 15, 2035	\$43,861.40	\$22,791.39	\$66,652.79
March 15, 2036	\$46,216.76	\$20,436.03	\$66,652.79
March 15, 2037	\$48,698.60	\$17,954.19	\$66,652.79
March 15, 2038	\$51,313.71	\$15,339.08	\$66,652.79
March 15, 2039	\$54,069.26	\$12,583.53	\$66,652.79
March 15, 2040	\$56,972.77	\$ 9,680.01	\$66,652.79
March 15, 2041	\$60,032.21	\$ 6,620.57	\$66,652.79
March 15, 2042	\$63,255.94	\$ 3,396.84	\$66,652.79

Interest shall accrue on the Series 2026 Bond from the Original Issue Date. The Series 2026 Bond shall be initially issued as one fully registered Bond.

If less than \$700,000 is advanced on the Series 2026 Bond, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of maturities (and the amount of the final remaining principal installment shall be reduced, if required) to correspond to the maximum principal amount of the Series 2026 Bonds.

Except as provided in the next succeeding paragraph, payments, whether at maturity or by redemption shall be payable upon presentation and surrender for payment of the Series 2026 Bonds by check in any currency which on the date of payment is legal tender for the payment of debts due the United States of America, to the Bondholder thereof. Interest shall be made to the Bondholder thereof and shall be paid by check or draft mailed to the Bondholder thereof at his address as it

appears on the registration books of the Authority maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Bondholder.

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

### ARTICLE III

#### RESERVED

### ARTICLE IV

#### EXECUTION, AUTHENTICATION, DELIVERY AND REGISTRATION OF SERIES 2026 BONDS

Section 4.1. Execution; Limited Obligation. The Series 2026 Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of the President of its Governing Board and shall have impressed or imprinted thereon the official seal of the Authority and be attested with the facsimile or manual signature of the Secretary of the Governing Board of the Authority. All authorized facsimile signatures shall have the same force and effect as if manually signed.

The Series 2026 Bonds shall not be a general obligation but shall be special, limited obligations of the Authority payable solely out of and to the extent available from the Base Rentals, as such term is defined in the Series 2026 Bond or the Lease and, if paid by the Town, the Purchase Option Price and other amounts derived from the leasing of the Project (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 2026 Bonds or to income from the temporary investment thereof and, under certain circumstances, to moneys held in funds or accounts by the Authority to proceeds from insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the Project) and shall be a valid claim of the respective Bondholders thereof only against the Bond Fund and other moneys held by the Authority and the Base Rentals, and other amounts derived from the leasing of the Project under the Lease, which Base Rentals and other amounts are hereby pledged, assigned and otherwise secured for the equal and ratable payment of the Series 2026 Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2026 Bonds, except as may be otherwise expressly authorized in this Master Resolution or in the Lease. The Authority shall not be obligated to pay the principal of such Series 2026 Bonds or the interest thereon or other costs incident thereto except from the moneys pledged therefor under this Master Resolution. The Series 2026 Bonds and the interest thereon shall never constitute an indebtedness of the Town within the meaning of any constitutional limitation or statutory provision and shall not constitute or give rise to a pecuniary liability of the Town or a charge against the general credit or taxing power of the Town. Neither the Town, nor the Authority on its behalf, has pledged the credit of the Town to the

payment of the Series 2026 Bonds, the interest thereon or amounts due or to become due under the Lease. The Town shall not be obligated to appropriate Town funds for the purpose of paying Base Rentals, Additional Rentals or the Purchase Option Price under the Lease, and no judgment may be entered against the Town in the event of an insufficiency of moneys to pay the principal of, premium, if any, and interest on the Series 2026 Bonds. The payment obligations of the Town under the Lease are subject to annual renewal and will be terminated upon the occurrence of an Event of Nonappropriation, as such term is defined in Exhibit "A". In such event, all payments from the Town under the Lease will terminate, and the Series 2026 Bonds and the interest thereon will be payable solely from and to the extent of such moneys, if any, as may be held by the Authority under this Master Resolution (except amounts held for the payment of Bonds not deemed Outstanding) and any moneys made available from a liquidation of the Project subsequent to foreclosure of the lien of this Master Resolution and the Security Document. No deficiency judgment subsequent to foreclosure of the lien of this Master Resolution and the Security Documents may be entered against the Town or the Authority, and no breach of any provision of the Lease, the Security Documents or this Master Resolution shall impose any general obligation or liability upon or a charge against the Town or the Authority or upon the general credit or taxing powers of the Town. No judgment requiring a payment of money may be entered against the Town under the Lease.

Section 4.2. Delivery of Series 2026 Bonds. Upon the execution and delivery of this Master Resolution, the Authority shall execute and deliver and the Secretary of the Authority shall authenticate the Series 2026 Bonds and deliver them to the State Bank as directed by the Authority as hereinafter in this Section 4.2 provided.

Prior to the delivery of the Series 2026 Bonds, there shall be filed with the Authority:

- (a) A copy, duly certified by the Secretary of the Authority of a resolution adopted by the Governing Board of the Authority, and a copy, duly certified by the Secretary of the Town, of a resolution of the governing body of the Town, authorizing the issuance of the Series 2026 Bonds and the execution and delivery of this Master Resolution, the Lease, and the Security Documents;
- (b) Original executed counterparts of the Lease, the Security Documents, and this Master Resolution;
- (c) An ALTA mortgagee's policy, or commitment therefor, of mortgage title insurance in an amount equal to the principal amount of the Series 2026 Bonds, issued by a title insurance company satisfactory to the Authority insuring that (i) the Authority has a valid ownership interest in the Project Site, (ii) the Project is subject only to Permitted Encumbrances and (iii) the Security Documents constitute a first lien on the Project Site subject only to Permitted Encumbrances. The policy shall also provide protection against any mechanic's or materialman's liens. In the event that title insurance on any portion of the property interests described above cannot be provided at the time of issuance of the Series 2026 Bonds, delivery of such title insurance shall be provided prior to disbursement of amounts to pay costs of such portion of the Project; and

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

Section 4.3. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Authority may execute and authenticate a new Bond of like date, maturity and denomination to that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Authority, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority evidence of such loss, theft or destruction satisfactory to the Authority, together with an indemnity satisfactory to them. In the event any such Bond shall have matured or is about to mature, instead of issuing a duplicate Bond, the Authority may pay the same without surrender thereof making such requirements as it deems fit for its protection, including a lost instrument bond or other satisfactory indemnity. The Authority may charge the Bondholder of such Bond with its reasonable fees and expenses in this connection.

Section 4.4. Registration Provisions. The Authority shall cause books for the registration and for the transfer of the Series 2026 Bonds to be kept by the Secretary who is hereby appointed the Registrar of the Issuer with respect to the Series 2026 Bonds. Any Series 2026 Bonds may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2026 Bonds for cancellation accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Series 2026 Bonds duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the Bondholder or his attorney duly authorized in writing, the Authority shall execute and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same maturity for a like aggregate principal amount as the Series 2026 Bonds surrendered for transfer. Series 2026 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2026 Bonds of other authorized denominations and the same series and maturity. The execution by the Authority of any Series 2026 Bonds of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2026 Bonds. The Registrar shall not be required to transfer or exchange any Bond at any time following the mailing of notice calling such Series 2026 Bonds for redemption.

The Series 2026 Bonds surrendered for final payment, redemption or exchange, shall be promptly canceled and destroyed by the Authority.

The Authority, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2026 Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Authority, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Bond shall be made only to or upon order of the Bondholder thereof or his legal

representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Authority may require the payment by the Bondholder requesting exchange or transfer of Series 2026 Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered, including but not limited to the Authority's reasonable fees and expenses in connection with services provided pursuant to this Section.

Section 4.5. Destruction of Bond. Whenever any Outstanding Bond shall be delivered to the Authority for cancellation pursuant to this Master Resolution, upon final payment of the principal amount or interest represented thereby, or for replacement or exchange, transfer or partial redemption pursuant to Section 4.3, 4.4 and Section 4.6 hereof, such Bond shall be promptly canceled and cremated or otherwise destroyed by the Authority and counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Authority to the Town.

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

Section 4.7. Issuance of Refunding Bonds. To the extent permitted by law, the Authority may, at the request of the Town authorize the issuance of refunding bonds upon the terms and conditions provided herein and in Section 11.7 of the Lease. Refunding bonds may be issued to provide funds to refund the Bond then Outstanding, in whole or in part, and to pay the costs of the issuance and sale of the refunding bonds and other costs reasonably related to the financing as shall be agreed upon by the Town and the Authority; provided, however, that (1) the Authority shall not be in default under this Master Resolution, the Security Documents or the Lease or any provision thereof or hereof, and the issuance of refunding bonds shall not constitute a default under the Lease or cause any violation of the covenants or representations of the Town or the Authority in the Lease, the Security Documents or in this Master Resolution; (2) no Event of Default or Event of Nonappropriation shall have occurred under the Lease; (3) the Authority shall have otherwise

complied with the provisions of this Section 4.7 with respect to the issuance of such refunding bonds; and (4) if the State Bank is the present owner of the Series 2026 Bonds, the Authority shall have obtained the prior written approval of the State Bank for the Authority to issue the refunding bonds for the Bonds owned by the State Bank.

**Section 4.8. Additional Bonds.** So long as the Lease is in effect and no Event of Default under this Master Resolution, the Security Documents or the Lease has occurred and is continuing and so long as no Event of Nonappropriation has occurred and is continuing, one or more series of Additional Bonds may be issued, authenticated and delivered for the purpose of financing (i) costs to complete construction of the Project (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 2026 Bonds, or to income from the temporary investment thereof and, under certain circumstances, to moneys held in funds or accounts by the Authority, to proceeds from insurance policies, performance bonds, condemnation awards and liquidation proceeds with respect to the Project), (ii) costs of additions or improvements to the Project or (iii) the cost of acquiring, constructing, equipping and furnishing of any sites, buildings or equipment or continuation thereof, for the use and benefit of the Town, but only to the extent that (I) such additional sites, buildings and equipment, or any combination thereof, constitute a “project” within the meaning of the Utah Local Building Authority Act, and (II) the Lease and the Security Documents are amended as herein provided to include such sites, buildings and equipment as part of the Project thereunder. Such Additional Bonds shall be payable solely from the Base Rentals and, if paid by the Town, the Purchase Option Price and other amounts derived from the leasing of the Project. The Additional Bonds may be issued in one or more series, shall be authenticated by the Authority and, upon payment to the Authority of the proceeds of said sale of Additional Bonds, they shall be delivered by the Authority to or upon the order of the purchasers thereof, but only upon there being filed with the Authority:

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

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

in the supplemental resolution rather than as provided in this Master Resolution, and may differ from the provisions with respect to the Bond set forth in this Master Resolution, except that interest, if any, on such Additional Bonds shall be payable on March 15 of each year during the term thereof and principal of the Additional Bond shall, in each year in which principal falls due, be payable on March 15;

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

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

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

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

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

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

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

(j) If the State Bank is the present owner of the Series 2026 Bonds, the written approval of the State Bank for the Authority to issue the Additional Bonds; and

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

Each series of Additional Bonds issued pursuant to this Master Resolution shall be equally and ratably secured under this Master Resolution and the Security Documents with the Series 2026 Bond and all other series of Additional Bonds, if any, theretofore issued pursuant to this Master Resolution, without preference, priority or distinction of any Bond over any other thereof.

## ARTICLE V

### REDEMPTION OF BOND BEFORE MATURITY

#### Section 5.1. Redemption Dates and Prices.

(a) The Series 2026 Bonds are subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Authority in inverse order of the due date of the principal installments thereof, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid, plus accrued interest, if any, to the date of prepayment or redemption.

(b) The Series 2026 Bonds are also subject to prepayment and redemption in whole on any date, if (i) the Project or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Project shall become apparent, or title to or the use of all or any material portion of the Project shall be lost by reason of a defect in title thereto, (ii) the Net Proceeds (as defined in the Lease) of any insurance policy, performance bond or condemnation award made available by reason of one or more such occurrences shall be insufficient to pay in full the cost of repairing and replacing the Project, and (iii) the Town elects to discharge its obligation to repair and replace the Project by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the Town with respect to the Project under the Lease shall terminate and the Town shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Project thereunder, and possession of the Project shall be surrendered to the Authority for the Bondholders. All right, title and interest of the Town and the Authority in any funds or

accounts created under the Master Resolution (other than amounts held for the payment of principal of the Bond not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Bond at the earliest date practicable. Thereafter, the Security Documents may be foreclosed and the Project liquidated and the Net Proceeds of such liquidation and of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of principal of the Bond not then deemed Outstanding), shall be applied to the prepayment or redemption of the Bond as the Authority may determine at the earliest date practicable. Such prepayment or redemption of the Bond shall be made upon payment of the principal amount of the Bond then Outstanding plus accrued interest, if any, thereon, all in accordance with the Master Resolution. IN THE EVENT THE BONDS ARE TO BE PREPAID SUBSEQUENT TO THE OCCURRENCE OF AN EVENT DESCRIBED IN THIS PARAGRAPH BY PAYMENT OF AN AMOUNT LESS THAN THE OUTSTANDING PRINCIPAL AMOUNT THEREOF AND ACCRUED INTEREST, IF ANY, TO THE PREPAYMENT DATE, NO FURTHER CLAIM FOR PAYMENT MAY BE HAD BY THE HOLDERS OF THE BOND AGAINST THE AUTHORITY OR THE TOWN.

If called for prepayment at any time pursuant to the provisions above, the Series 2026 Bonds shall be subject to prepayment by the Authority in whole or in part except that in the event that the amount available to prepay such Bonds under paragraph (i) above, following a liquidation of all of the Project, is less than the amount required to pay the principal of and interest on the Bonds to the prepayment date, the Bonds shall be redeemed in whole and the amount available therefor applied as provided in Section 11.8(b) hereof. Except as otherwise provided above, in the event that the Bonds are prepaid, such prepayment will be made at a price (expressed as a percentage of principal amount) of 100% plus accrued interest on delinquent payments to the prepayment date.

#### Section 5.2. Notice of Redemption.

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

Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2026 Bonds receives the notice. Receipt of such notice, shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such registered owners shall not affect the validity of the proceedings for the redemption of the Series 2026 Bonds.

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

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

## ARTICLE VI

### GENERAL COVENANTS

Section 6.1. Payment of Principal and Premium and Interest. The Authority covenants that it will promptly pay the principal of and premium, if any, and interest on every Bond issued under this Master Resolution at the place, on the dates and in the manner provided herein and in the respective Bond according to the true intent and meaning thereof, but solely from the Base Rentals and, if paid by the Town under the Lease, the Purchase Option Price with respect to the Project, the purchase option price and other amounts pledged therefor which are from time to time held by the Authority in the Bond Fund. The principal and premium, if any, and interest on the Bond are payable solely from the Base Rentals and, if paid by the Town, the Purchase Option Price with respect to the Project, and other amounts derived from the leasing of the Project and otherwise as provided herein, in the Security Documents, and in the Lease, which amounts are hereby specifically pledged to the payment thereof in the manner and to the extent herein and in Lease specified, and nothing in the Series 2026 Bonds or in this Master Resolution shall be construed as pledging any other funds or assets of the Authority or the Town. The Authority shall in no event be liable for the payment of the principal of and premium, if any, or interest on any of the Series 2026 Bonds or for the performance of any pledge, obligation or agreement undertaken by the Authority except to the extent that the moneys pledged herein, or assets granted herein or in the Security Documents as security, are sufficient therefor.

Section 6.2. Performance of Covenants; the Authority. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Resolution, in the Lease, in the Security Documents, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Authority covenants that it is duly authorized under its Articles of Incorporation, the Constitution and laws of the State of Utah, including a resolution duly adopted by the Governing Body of the Town, to issue the Series 2026 Bonds authorized hereby and to execute this Master Resolution, to assign the Lease and to pledge the Base Rentals, the Purchase Option Price and other amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bond and the execution and delivery of the Lease and the Security Documents and this Master Resolution has been duly and effectively taken, and that the Series 2026 Bonds in the hands of the Bondholders are and will be valid and enforceable special, limited obligations of the Authority according to the terms thereof and hereof.

Section 6.3. Ownership; Instruments of Further Assurance. The Authority covenants that it will own the Project and any property becoming a part of the Project shall be acquired and kept free of all liens and encumbrances, except Permitted Encumbrances. The Authority will defend the title to and interest in the Project and each part thereof, for the benefit of the Bondholders against

the claims and demands of all persons whomsoever, except for claims and demands arising from Permitted Encumbrances as provided in the Lease. To the extent necessary and to the extent it may lawfully do so, the Town will join with the Authority in any action taken by the Authority pursuant to the provisions of the preceding sentence. The Authority will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such resolutions supplemental hereto and such further acts, instruments and transfers as reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming all and singular the Project, the Base Rentals, Purchase Option Price and other amounts pledged hereby to the payment of the principal of and premium, if any, and interest on the Series 2026 Bonds. The Authority, except as herein and in the Lease provided, will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Project or the Base Rentals, the Additional Rentals, Purchase Option Price, revenues and receipts therefrom or its rights under the Lease, together with any additions thereto and substitutions therefor, subject to Permitted Encumbrances.

**Section 6.4. Perfection of Security Interest.**

(a) This Master Resolution creates a valid and binding pledge and assignment of and security interest in all of the personal property pledged as part of the Project, Base Rental and Additional Rentals under this Master Resolution as security for payment of the Series 2026 Bonds, enforceable by the Bondholder in accordance with the terms thereof.

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

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

**Section 6.6. List of Bondholders.** The Authority shall keep a list of names and addresses of the Bondholders of all Series 2026 Bonds as from time to time registered on the registration books of the Authority maintained by the Bond Registrar, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations, said list may be inspected and copied by the Town or by Bondholders (or a designated representative thereof) of 15% or more in aggregate principal amount of the Series 2026 Bonds then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Authority.

**Section 6.7. Rights Under Lease and the Security Documents.** The Lease and the Security Documents set forth the covenants and obligations of the Authority and the Town. Reference is hereby made to the same for a detailed statement of said covenants and obligations of the Authority and the Town thereunder, and the Authority may enforce all rights of the Authority and all obligations of the Town under and pursuant to the Lease and the Security Documents for and on

behalf of the Bondholders, whether or not the Authority is in default hereunder.

Section 6.8. Designation of the Secretary as Bond Registrar and Secretary as Paying Agent and Designation of Any Additional Paying Agents. The Secretary is hereby designated and agrees to act as Registrar and the Secretary is designated and agrees to act as Paying Agent for and in respect to the Series 2026 Bonds. The Authority may appoint additional paying agents from time to time by giving notice of such appointments to the Bondholders. The Authority hereby covenants and agrees to cause the necessary arrangements to be made for the making available of funds hereunder for the payment of such of the Series 2026 Bonds as shall be presented when due at the principal office of the Paying Agent.

Section 6.9. Filing of Records. So long as any Series 2026 Bonds remain outstanding, proper books of record and account will be kept by the Authority separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the Project. Each Bondholder or any duly authorized agent or agents of such holder shall have the right, upon 48 hours advance notice, to inspect all records, accounts and data relating thereto and to inspect the Project and all properties constituting the Project. Except as otherwise provided herein, the Authority further agrees that it will within one hundred eighty (180) days following the close of each fiscal year (the term "fiscal year" as used in this subsection meaning whatever twelve-month period the Authority may from time to time be using for general financial accounting purposes) cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Project, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the State Bank is the Bondholder of the Bond, each such audit will be supplied to the State Bank as soon as completed without prior request therefor by the State Bank. Each such audit, in addition to whatever matter may be thought proper by the accountant to be included therein, shall include the following:

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

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

## ARTICLE VII

### REVENUES AND FUNDS

Section 7.1. Source of Payment of Bond. The Series 2026 Bonds herein authorized and all payments by the Authority hereunder are not general obligations of the Authority but are special, limited obligations payable solely from the Base Rentals and the Purchase Option Price and other amounts derived from the Project under the Lease and as provided herein and on a par with the Series 2025 Bonds, the lien thereon on the Revenues and the Resolutions authorizing the Series 2025 Bonds.

The Project has been leased under the Lease and the Base Rentals and the Purchase Option Price provided in Sections 6.2 and 12.1, respectively, of the Lease and the Lease of 2025 and are to be remitted directly to the Authority and deposited in the Bond Fund along with all other moneys authorized or required to be deposited in the Bond Fund under the Lease and the Lease of 2025. Such Base Rentals and Purchase Option Price are hereby pledged to such payment.

Section 7.2. Creation of Bond Fund. There is hereby created and held by the Authority and ordered established a fund to be designated "Local Building Authority of Virgin Town, Washington County, Utah Series 2026 Bond Fund", which shall be used to pay the principal of and premium, if any, and interest on the Series 2026 Bonds.

Section 7.3. Payments into Bond Fund. There shall be deposited into the Bond Fund all accrued interest received, if any, at the time of the issuance, sale and delivery of the Series 2026 Bonds. In addition, there shall be deposited into the Bond Fund and the payments on the Series 2025 Bonds, as and when received, (i) any amount in the Escrow Account directed to be paid into the Bond Fund pursuant to Section 7.3 of the Lease or any amount in the Reserve Fund directed to be paid into the Bond Fund in accordance with the provisions of Section 6.7 hereof; (ii) any Net Proceeds of any insurance policy, performance bond or condemnation award to be deposited in the Bond Fund pursuant to Sections 10.2 and 10.3 of the Lease; (iii) all Base Rentals, and, if paid by the City, the Purchase Option Price with respect to the Project specified in Sections 6.2 and 12.1 of the Lease; and (iv) all other moneys received by the Authority under and pursuant to any of the provisions of the Lease which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund. The Authority hereby covenants and agrees that so long as any of the Series 2026 Bonds issued hereunder are Outstanding, it will deposit in the Bond Fund for its account, any moneys which are pledged under this Master Resolution for the payment of the principal of and premium, if any, and interest on the Series 2026 Bonds and which are required to be deposited into the Bond Fund.

The Authority covenants and agrees that should there be an Event of Default or an Event of

Nonappropriation under the Lease or the Lease of 2025 with the result that the right of possession of the Project is returned to the Authority, the Authority shall fully cooperate with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and, if requested by any Bondholder, shall use its best efforts to secure a purchaser or another lessee of the Project so that at all times sufficient rents and other amounts will be derived from the Project promptly to meet and pay the principal of and premium, if any, and interest on the Series 2026 Bonds and the Series 2025 Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease and the Lease of 2025. Nothing herein shall be construed as requiring the Authority to operate the Project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project promptly to meet and pay the principal of and premium, if any, and interest on the Series 2026 Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project.

There shall be deposited into the Bond Fund all accrued interest received, if any, at the time of the issuance, sale and delivery of the Series 2026 Bonds. In addition, there shall be deposited into the Bond Fund, as and when received, (i) any amount in the Escrow Account directed to be paid into the Bond Fund pursuant to Section 7.3 of the Lease; (ii) any Net Proceeds of any insurance policy, performance bond or condemnation award to be deposited in the Bond Fund pursuant to Sections 10.2 and 10.3 of the Lease; (iii) all Base Rentals, and, if paid by the Town, the Purchase Option Price with respect to the Project specified in Sections 6.2 and 12.1 of the Lease; and (iv) all other moneys received by the Authority under and pursuant to any of the provisions of the Lease which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund. The Authority hereby covenants and agrees that so long as any of the Series 2026 Bonds issued hereunder are Outstanding, it will deposit in the Bond Fund for its account, any moneys which are pledged under this Master Resolution for the payment of the principal of and premium, if any, and interest on the Series 2026 Bonds and which are required to be deposited into the Bond Fund.

The Authority covenants and agrees that should there be an Event of Default or an Event of Nonappropriation under the Lease with the result that the right of possession of the Project is returned to the Authority, the Authority shall fully cooperate with the Bondholders to fully protect the rights and security of the Bondholders and shall diligently proceed in good faith and, if requested by any Bondholder, shall use its best efforts to secure a purchaser or another lessee of the Project so that at all times sufficient rents and other amounts will be derived from the Project promptly to meet and pay the principal of and premium, if any, and interest on the Series 2026 Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the Project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project promptly to meet and pay the principal of and premium, if any,

and interest on the Series 2026 Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Project required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the project or to use any funds or revenues from any source other than the rents and other amounts derived from the Project.

Section 7.4. Use of Moneys in Bond Fund. Except as provided herein, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Series 2025 Bond and the Series 2026 Bond (the "Bonds") including mandatory sinking fund payments, if any, of principal of the Bonds, and for the redemption of the Bonds prior to maturity, and the Bond Fund shall be depleted for such purposes at least annually. The Authority shall maintain sub-accounts within the Bond fund with respect to each series of Bonds in order to properly utilize all moneys deposited therein for their intended purposes, it being the intent hereof that, except as otherwise provided herein, all Bonds authorized hereunder will be equally secured by an equal lien pledge of moneys deposited in the Bond Fund.

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

Section 7.6. Deposit of Series 2026 Bonds Proceeds; Disbursements. The proceeds from the sale of the Series 2026 Bonds shall be deposited at the time of delivery in the Escrow Account to be administered by the Escrow Agent as provided in the Escrow Agreement. All monies deposited in the Escrow Account shall be used solely for the purpose of defraying all or a portion of the costs of the Project including the payment of costs of issuance of the Series 2026 Bonds. Any unexpended balance from proceeds of the Series 2026 Bonds remaining in the Escrow Account after completion of the Project shall be deposited in the Bond Fund and used to redeem the Series 2026 Bonds pursuant to Section 5.1(a). Proceeds from the sale of the Series 2026 Bonds on deposit in the Escrow Account may be invested as provided in the Escrow Agreement. Following the transfer of unexpended funds from the Escrow Account, the Escrow Account will be closed.

Section 7.7. Nonpresentment of Bond. In the event that any Series 2026 Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for prepayment or redemption thereof, or otherwise, if funds sufficient to pay any such Bond are on deposit with the Authority for the benefit of the Bondholder or Bondholders thereof, all liability of the Authority to the Bondholder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Bondholder of such Bond who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on its part under this Master Resolution, the Security Documents or on, or with respect to, such Bond.

Section 78. Repayment to the Town from Bond Fund. Any amounts remaining in the Bond Fund after payment in full of the principal of and premium, if any, and interest on the Series 2026

Bonds and the Series 2025 Bond, and all other amounts required to be paid immediately to the Town as an overpayment of Base Rentals.

Section 7.9. Custody of Separate Trust Fund. The Authority shall hold all Net Proceeds from any insurance policies, performance bond or condemnation awards and disburse such proceeds in accordance with Article X of the Lease. If the Town directs that the Net Proceeds be applied to redeem the Series 2026 Bonds and the Series 2025 Bond pursuant to Section 10.3 of the Lease and the Lease of March 1, 2025, the Authority covenants and agrees to transfer such funds to the Bond Fund and to redeem the Series 2026 Bonds as provided in Section 5.1 herein.

## ARTICLE VIII

### INVESTMENT OF MONEYS

Section 8.1. Authority to Invest Funds. Any moneys held as part of the Bond Fund or any other fund may be invested and reinvested by the Authority in Investment Obligations in accordance with the provisions hereof and Section 7.5 of the Lease. The Authority shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in the Bond Fund is insufficient to pay the principal of and premium, if any, and interest on the Series 2026 Bonds when due.

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

## ARTICLE IX

### RIGHTS OF THE TOWN

Section 9.1. Subordination of Rights to Town. This Master Resolution and the rights and privileges hereunder of the holders of the Series 2026 Bond are specifically made subject and subordinate to the rights and privileges of the Town set forth in the Lease to exercise its option to purchase the Project in the event of, and subsequent to, the occurrence of an Event of Default, but prior to the liquidation of the Project; provided, however, that as a condition of the exercise of such option, the Town must pay, in addition to the Purchase Option Price, any interest payment deficiencies accruing from the date of the Event of Default or Event of Nonappropriation. The Authority agrees that it shall execute and deliver any instrument necessary or appropriate at any time to confirm, evidence or enable the Town to enjoy such rights and privileges, including without limitation, those referred to in Section 9.2 hereof.

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

compliance with the terms and conditions of the Lease.

Section 9.3. Release of Equipment Forming a Part of the Project. Reference is made to the provisions of the Lease, whereby the Town may withdraw certain items of equipment forming a part of the Project upon substitution of other property of comparable or greater value, or upon deposit of sale proceeds in the Bond Fund, in conformity with the terms and conditions of the Lease.

## ARTICLE X

### DISCHARGE OF LIEN

If the Authority shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made to or for the Bondholders, the principal of and premium, if any, and interest due or to become due on the Series 2026 Bonds at the times and in the manner stipulated therein, and if the Authority shall not then be in default in any of the other covenants and promises in the Series 2026 Bonds and the Security Documents and in this Master Resolution expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Authority shall cancel and discharge the lien of this Master Resolution, and release, assign and deliver unto the Town any and all estate, right, title and interest in and to any and all rights or otherwise subject to the lien of this Master Resolution, including amounts in the Bond Fund required to be paid to the Town under Section 7.8 of this Master Resolution and all rights granted under the Security documents, except moneys or securities held by the Authority for the payment of the principal of and premium, if any, and interest on the Series 2026 Bonds.

Any Series 2026 Bonds shall be deemed to be paid within the meaning of this Article and for all purposes of this Master Resolution when payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Master Resolution, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) the Authority shall have irrevocably set aside in trust exclusively for such payment, (1) moneys sufficient to make such payment, and/or (2) noncallable Government Obligations maturing as to principal and interest in such amount and at such times as will ensure, without reinvestment, the availability of sufficient moneys to make such payment. At such time as a Series 2026 Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Master Resolution or the Security Documents, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bond as aforesaid until: (a) proper notice of redemption of such Bond shall have been previously given in accordance with Article V of this Master Resolution, or in the event said Bond are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Authority shall have given notice to the Bondholders of the Bond, in accordance with Article V hereof, that the deposit required by (ii) above has been made

with the Authority and that said Bond are deemed to have been paid in accordance with this Article X, and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bond and to call for redemption pursuant to this Master Resolution any Bond to be redeemed prior to maturity; or (b) the maturity of such Bond.

All moneys so deposited with the Authority as provided in this Article X may at the direction of the Authority also be invested and reinvested in Government Obligations, maturing in the amounts and at times as hereinbefore set forth, and all income from all Government obligations in the hands of the Authority pursuant to this Article X which is not required for the payment of the Series 2026 Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

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

## ARTICLE XI

### DEFAULT PROVISIONS AND REMEDIES

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

- (a) Failure to pay when due interest on the Series 2026 Bonds;
- (b) Failure to pay when due the principal of, or premium, if any, on any Series 2026 Bonds, whether at the state maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) Failure to perform or observe any other of the covenants, agreements or conditions on the part of the Authority in this Master Resolution or in the Series 2026 Bonds contained and failure to remedy the same after notice thereof pursuant to Section 11.13 hereof;
- (d) The occurrence of an Event of Default under the terms of any of the Bond Documents on the part of either the Authority or the Town, as applicable;
- (e) The Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder;

(f) The Authority (1) is adjudged insolvent by a court of competent jurisdiction, (2) admits in writing its inability to pay its debts generally as they become due, (3) files a petition in bankruptcy, (4) makes an assignment for the benefit of creditors, or (5) consents to the appointment of a receiver of itself or property with respect to the Project;

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

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

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

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

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

Upon any sale made either under the power of sale given in this Article XI or given in the Security Documents or under a judgment, order or decree made in any judicial proceedings for the foreclosure or enforcement of this Master Resolution and/or the Security Documents, the principal of all Series 2026 Bonds then Outstanding, if not previously due, shall at once become and be immediately due and payable without declaration or notice by the Bondholders.

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

Notwithstanding anything contained herein to the contrary, the rights and privileges of the Bondholders are subject to the right of the Town to purchase the Project as set forth in the Lease, respectively, and the Bondholders shall make no final sale or other final disposition of any interest in the Project pursuant to any available foreclosure remedy without notifying the Town in writing of the occurrence of an Event of Default, and allowing the Town ninety (90) days from the mailing of such notice to exercise their respective options to purchase the Project.

Section 11.3. Surrender of Possession of Project; Rights and Duties of Authority in Possession. Upon the occurrence of an Event of Default under this Master Resolution, the Authority, upon demand of the Bondholders, shall forthwith surrender, and it shall be lawful for the Bondholders, by such officer or agent as they may appoint, to take possession of all or any part of the Project together with the books, papers and accounts of the Authority pertaining thereto, and including the rights and the possession of the Authority with respect to the Project under the Lease, and to make all needful repairs and improvements as the Bondholders shall deem wise. Upon the occurrence of an Event of Default, the Bondholders may execute a written notice of default and an election to cause the Project or any portion thereof to be sold to satisfy the obligations of the authority under this Master Resolution in accordance with the provisions of the Security Documents and/or may cause a sale of personal property as provided by law. The Bondholders may also lease or otherwise dispose of the Project in the name and for the account of the Authority and in such manner as the Bondholders, in their sole discretion, may elect. In connection with any such sale or leasing of the Project, the Bondholders may collect, receive and sequester the rental payments, revenues, earnings, income, products and profits therefrom, and out of the same and any moneys received from any receiver pay, or set up the proper reserve for the payment of, all proper costs and expenses of so taking, holding, leasing, selling and managing the same, including reasonable compensation to the Bondholders, its agents and counsel, and any charges of the Bondholders hereunder, and any taxes and assessments and other charges prior to the lien of this Master Resolution and the Security Documents which the Bondholders may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of Section 11.8 hereof. Whenever all that is due upon the Series 2026 Bonds shall have been paid and all defaults made, cured or waived, the Bondholders shall surrender whatever possession the Bondholders shall retain to the Authority; the same right of entry, however, to exist upon any subsequent Event of Default.

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

While any Series 2026 Bonds are Outstanding, the Authority shall not exercise any of the remedies on default specified in Section 14.2 of the Lease without the prior written consent of the Bondholders.

Section 11.4. Other Remedies; Rights of Bondholders. Except as otherwise limited by the provisions of this Master Resolution upon the occurrence of an Event of Default under this Master Resolution, the Bondholders may pursue any available remedy by suit at law or in equity to enforce

the payment of the principal of and premium, if any, and interest on the Series 2026 Bonds then Outstanding.

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

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

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

**Section 11.5. Right of Bondholders to Direct Proceedings.** The Bondholders of a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding shall have the right at any time to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Resolution, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Resolution.

**Section 11.6. Appointment of Receivers.** Upon the occurrence of an Event of Default under this Master Resolution, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bondholders under this Master Resolution, the Bondholders of a majority in aggregate principal amount of the Series 2026 Bonds then Outstanding shall be entitled to the appointment of a receiver or receivers of the Project and of the rents, revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

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

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

in the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Series 2026 Bonds and the Series 2025 Bond shall have become or shall have been declared due and payable, all such moneys shall be applied proportionately between the Series 2025 Bond and the Series 2026 Bonds, based on the principal amount of the Bonds then outstanding, if the available proceeds are not sufficient to pay the entire outstanding principal balance and interest thereon on both of the Bonds), to be applied in the manner provided in the Master Resolutions:

**FIRST** - To the payment to the persons entitled thereto of all installments of interest then due on the Series 2026 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 Series 2026 Bonds which shall become due (other than Bond matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Master Resolution), in the order of their due dates, with interest on such Bond from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full the Series 2026 Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

**THIRD** - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and premium, if any, and interest on the Series 2026 Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full the Series 2026 Bonds due on any particular date, together with interest then due and owing thereon, payment shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Series 2026 Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Series 2026 Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Series 2026 Bonds over any other Series 2026 Bonds, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege, plus, if available, with interest on overdue installments of interest or principal at the same rate as the rate of the respective Bond or Bonds which are past due.

(c) If the principal of all the Series 2026 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 XI then, subject to the provisions of Section 11.8(b) of this Master Resolution in the event that the principal of all the Series 2026 Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 11.8(a) of this Master Resolution.

Whenever moneys are to be applied pursuant to the provisions of this Section 11.8, such moneys shall be applied at such times, and from time to time, as any duly appointed receiver shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Setting aside such moneys in trust for the proper purpose shall constitute proper application by such receiver, and such receiver shall have no liability whatsoever to the Bondholders or to any other person for any delay in applying any such moneys, so long as the receiver acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with the circumstances known at the time of the application by the receiver. Whenever the Authority or a receiver shall apply such funds, it shall fix the date (which shall be a Principal Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Authority shall not be required to make payment on any Series 2025 Bond and any Series 2026 Bond until such Bond shall be presented for appropriate endorsement or for cancellation if fully paid.

Whenever the principal of and premium, if any, and interest on all the Series 2026 Bonds has been paid under the provisions of this Section 11.8 and all expenses and charges of the Authority have been paid any balance remaining in the Bond Fund shall be paid to the Town as provided in Section 7.8 of this Master Resolution as overpayment of Base Rentals.

Section 11.9. Remedies Vested. All rights of action under this Master Resolution or under any of the Series 2026 Bonds may be enforced by or on behalf of the Bondholders without the possession of any of the Series 2026 Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted for or by the Bondholders shall be brought for the equal and ratable benefit of the Bondholders of the Outstanding Bond.

Section 11.10. Cross Default. The occurrence and continuance of an Event of Default under this Master Resolution, the March 1, 2025 Master Resolution, the Amended and Restated Deed of Trust, either of the Bonds or any of the other Bond Documents, or any other agreement or arrangement between the Town and State Bank now existing or entered into hereafter shall constitute a default under all such documents, including, without limitation, this Master Resolution, the March 1, 2025 Master Resolution, the Amended and Restated Deed of Trust, both of the Bonds, all of the other Bond Documents, as well as any other such agreement or arrangement.

Section 11.11. Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Master Resolution or for the execution of any trust hereof or for the appointment of a receiver or any other

remedy hereunder, unless such default shall have become an Event of Default under this Master Resolution; it being understood and intended that no one or more Bondholders shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Resolution by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the Bondholders of all Series 2026 Bonds then Outstanding. However, nothing contained in this Master Resolution shall affect or impair the right of any Bondholder to enforce the payment of the principal of and premium, if any, and interest on any Series 2026 Bonds at and after the maturity thereof, or the obligation of the Authority to pay the Series 2026 Bonds issued hereunder to the respective Bondholders thereof at the time, place, from the source and in the manner in the Series 2026 Bonds expressed.

Section 11.12. Termination of Proceedings. In case the Bondholders shall have proceeded to enforce any right under this Master Resolution by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder respectively, and all rights, remedies and powers of the Bondholders shall continue as if no proceedings had been taken.

Section 11.13. Waivers of Events of Default. The Bondholders may waive any Event of Default under this Master Resolution and its consequences and rescind any declaration of maturity of principal; provided, however, that there shall not be waived (1) any Event of Default under this Master Resolution in the payment of the principal of any Outstanding Bond at the date of maturity specified therein, or (2) any Event of Default in the payment when due of the interest on any such Bond unless prior to such waiver or rescission, all arrears of interests, on overdue installments of interest or all arrears of payments of principal when due, as the case may be, both with interest at the same rate as the rate of the respective Bond or Bonds which are past due, and all expenses of the Bondholders, in connection with such Event of Default shall have been paid or provided for, and in cases of any such waiver or rescission, or in case any proceeding taken by Bondholders on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 11.14. Notice of Event of Default under Section 11.1(c); Opportunity of the Authority and the Town to Cure Such Events of Default. Anything herein to the contrary notwithstanding, no default under Section 11.1(c) hereof shall constitute an Event of Default under this Master Resolution until actual notice of such default by registered or certified mail shall be given to the Authority and the Town by the Bondholders of not less than 25% in aggregate principal amount of all Bond Outstanding, and the Authority and the Town shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, that, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default under this Master Resolution if correction action

is instituted by the Authority and the Town within the applicable period and diligently pursued, to the satisfaction of the Bondholders until the default is corrected.

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

## ARTICLE XII

### SUPPLEMENTAL RESOLUTIONS

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

- (a) To cure any ambiguity or formal defect or omission in this Master Resolution;
- (b) To grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders;
- (c) To subject to this Master Resolution additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Master Resolution or any resolution supplemental hereto in such matter as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Series 2026 Bonds for sale under the securities laws of any of the states of the United States of America, and, if they so determine, to add to this Master Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be determined by said laws;
- (e) To evidence the appointment of a separate paying agent or the succession of a paying agent hereunder;
- (f) To issue Refunding Bond or Additional Bond in accordance with this Master Resolution and the Lease; provided, however, that so long as the State Bank is the owner of the Series 2026 Bonds, the Authority must obtain its prior written approval for the issuance of Additional or Refunding Bond; and
- (g) To make any other change that does not materially adversely affect the rights of any Bondholder.

**Section 12.2. Supplemental Resolutions Requiring Consent of Bondholders.** Exclusive of supplemental resolutions covered by Section 12.1 hereof and subject to the terms and provisions contained in this Section 12.2, and not otherwise, the Bondholders of not less than 51% in aggregate principal amount of the Series 2026 Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Resolution to the contrary notwithstanding, to consent to and approve the execution by the Authority of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Resolution or in any supplemental resolution; provided, however, that nothing in this Section 12.2 or in Section 12.1 hereof contained shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of, or the interest on any Series 2026 Bonds issued hereunder, or (ii) a reduction in the principal amount of, or redemption premium on, any Series 2026 Bonds or the rate of interest thereon, or (iii) a privilege or priority of any Series 2026 Bonds over any other Series 2026 Bonds, or (iv) a reduction in the aggregate principal amount of the Series 2026 Bonds required for consent to such supplemental resolutions, or (v) the creation of any lien ranking prior to or on a parity with the lien of this Master Resolution, the Lease, and the Security Documents on the Project any part thereof (except in connection with the issuance of Refunding Bond or Additional Bond), or (vi) the deprivation with respect to the Bondholder of any Series 2026 Bonds then Outstanding of the lien hereby created on the Project, without the prior consent of the Bondholders of 100% of the Series 2026 Bonds affected by such action.

If at any time the Authority shall desire to enter into any such supplemental resolution for any of the purposes of this Section 12.2, it shall cause notice of the proposed adoption of such supplemental resolution to be given by registered or certified mail to the Bondholder of each Series 2026 Bond shown by the list of Bondholders required by the terms of Section 6.6 hereof. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that copies thereof are on file at the principal office of the Authority for inspection by all Bondholders. If the Bondholders of not less than 51% in aggregate principal amount of the Bond Outstanding at the time of the execution of any such supplemental resolution shall have consented to and approved the execution thereof as herein provided, no holder of any Series 2026 Bonds shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Authority from adopting the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental resolution as in this Article XII permitted and provided, this Master Resolution shall be and be deemed to be modified and amended in accordance therewith.

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

the Authority does not receive a letter of protest or objection thereto signed by or on behalf of the Town on or before the fifteenth day after the mailing of said notice.

## ARTICLE XIII

### AMENDMENT OF LEASE

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

Section 13.2. Amendments, etc. to the Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 13.1 hereof, the Authority shall not consent to any other amendment, change or modification of the Lease without mailing of notice and receipt of the written approval or consent of the Bondholders of not less than 51% in aggregate principal amount of the Series 2026 Bond to be affected at the time Outstanding given as in this Section 13.2 provided. If at any time the Authority and the Town shall request the consent of the Bondholders to any such proposed amendment, change or modification of the Lease, the Authority shall cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 12.2 of this Master Resolution with respect to supplemental resolutions. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the office of the Authority for inspection by all Bondholders. No such amendment, change or modification of the Lease shall reduce the aggregate principal amount of the Series 2026 Bond the Bondholders of which are required to consent to any amendment, change or modification of such Lease, or reduce or postpone payments required to be made under the Lease without the consent of all of the Bondholders of the Bond Outstanding. Approval or consent shall be evidenced in a manner acceptable to the Authority.

## ARTICLE XIV

### MISCELLANEOUS

Section 14.1. Consents, etc, of Bondholders. Any consent, request, direction, approval,

objection or other instrument required by this Master Resolution to be signed and executed by the Bondholders may be in any number on concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the Series 2026 Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Master Resolution, namely:

- (a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.
- (b) The fact of ownership of the Series 2026 Bonds and the amount or amounts, numbers and other identification of such Bond, and the date of holding the same, shall be proved by the registration books of the Authority pursuant to Section 4.4 of this Master Resolution.

Section 14.2. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Resolution, the Security Documents or the Series 2026 Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the Series 2026 Bonds, any legal or equitable right, remedy or claim under or with respect to this Master Resolution or any covenants, conditions and provisions herein contained; this Master Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

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

Section 14.4. Notices. Any notices, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram addressed as follows: If to the Authority, to the Local Building Authority of Virgin Town, P.O. Box 790008, Virgin, Utah 84779, Attention: President; if to the Bondholders, to their addresses as shown on the registration list; if to the Town, to P.O. Box 790008, Virgin, Utah 84779, Attention: Chair. If to State Bank, State Bank of Southern Utah, 1337 East 170 South, St. George, UT (84790). A duplicate copy of each notice required to be given hereunder to either the Authority or the Town shall also be given to the others. The Authority, the Town and the Bondholders may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 14.5. Payments Due on Saturdays, Sundays and Holidays. In any case where the

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

Section 14.6. Bank Deductibility. Pursuant to Section 265 of the Code, the Authority on behalf of the Town hereby designates the Series 2026 Bond as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest to the extent permitted by law. The Authority reasonably anticipates that the total amount of tax-exempt obligations [other than private activity bonds, as defined in Section 141 of the Code (a qualified 501(c)(3) bond, as defined in Section 145 of the Code, any bond issued to refund certain obligations issued before August 8, 1986 as described in Section 265(b)(3)(B)(ii)(II) of the Code, and any obligation to which Section 141(a) of the Code does not apply by reason of Sections 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986 and which is described in Section 265(b)(3)(C)(ii)(II) of the Code not being treated as a private activity bond for this purpose)] which will be issued by the Authority or the Town and by an aggregated issuer during the current calendar year will not exceed \$10,000,000. For purposes of this Section 14.6, “aggregated issuer” means any entity which (i) issues obligations on behalf of the Town, (ii) derives its issuing authority from the Town, or (iii) is subject to substantial control by the Town. The authority hereby represents that (a) it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code, and (b) the total amount of obligations issued by the Authority and aggregated issuers for the current calendar year does not exceed \$10,000,000.

Section 14.7. Arbitrage Rebate Exemption for Small Issuer. The Authority hereby certifies for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Series 2026 Bonds (the “Rebate Exemption”) as follows:

- (a) The Series 2026 Bond is issued by the Authority on behalf of the Town which has general taxing powers.
- (b) Neither the Series 2026 Bond nor any portion thereof is a private activity bond as defined in Section 141 of the Code (“Private Activity Bond”).
- (c) Ninety-five percent (95%) or more of the net proceeds of the Series 2026 Bond are to be used for local government activities of the Authority (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Authority).
- (d) Neither the Authority nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt bonds other than Private Activity Bonds (as those terms

are used in Section 148(f)(4)(D) of the Code during calendar year 2026.

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

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

Accordingly, the Authority will qualify for the Rebate Exemption granted to small governmental units under Section 148(f)(4)(D) of the Code, and the Authority shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to the Series 2026 Bond.

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

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

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

Section 14.11. References to Improvements. The Project contemplated herein related to the initial bonds, the Series 2026 Bonds, issued hereunder, includes the acquisition of real property without the construction of improvements thereon. To the extent certain provisions herein, such as Section 5.1(b) for example, anticipate the construction of improvements, such references shall apply to refunding bonds and additional bonds and not to the Series 2026 Bonds.

ADOPTED as of this 2nd day of February, 2026.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

Attest:

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

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

[SEAL]

EXHIBIT "A"

(FORM OF FULLY REGISTERED SERIES 2026 BONDS)

UNITED STATES OF AMERICA

LOCAL BUILDING AUTHORITY OF VIRGIN TOWN,  
WASHINGTON COUNTY, UTAH

LEASE REVENUE BOND  
SERIES 2026

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

<u>Principal Sum</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>
\$700,000.00	5.37%	February 5, 2026

The Local Building Authority of Virgin Town, Washington County, Utah, a nonprofit corporation duly organized and existing within the State of Utah under its Articles of Incorporation and the Constitution and laws of the State of Utah (the "Authority"), for value received, promises to pay solely and to the extent available from the sources hereinafter provided, to the registered owner hereof or registered assigns, the Total Principal Sum set forth above, together with interest accruing on the unpaid principal balance from the Original Issue Date, at the rate specified above (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable annually on March 15 of each year, with interest and principal installments beginning March 15, 2027, Principal together with accrued but unpaid interest, shall be payable in registered installments on March 15 of each of the years as set forth in the following Repayment Schedule:

<u>Payment Date</u>	<u>Total Principal Series 2026 Bond</u>	<u>Interest Payment Series 2026 Bond</u>	<u>Total Payment</u>
March 15, 2027	\$25,149.31	\$41,503.48	\$66,652.79
March 15, 2028	\$30,413.30	\$36,239.48	\$66,652.79
March 15, 2029	\$32,046.50	\$34,606.29	\$66,652.79
March 15, 2030	\$33,767.40	\$32,885.39	\$66,652.79
March 15, 2031	\$35,580.71	\$31,072.08	\$66,652.79
March 15, 2032	\$37,491.39	\$29,161.40	\$66,652.79
March 15, 2033	\$39,504.68	\$27,148.11	\$66,652.79
March 15, 2034	\$41,626.08	\$25,026.71	\$66,652.79
March 15, 2035	\$43,861.40	\$22,791.39	\$66,652.79
March 15, 2036	\$46,216.76	\$20,436.03	\$66,652.79
March 15, 2037	\$48,698.60	\$17,954.19	\$66,652.79
March 15, 2038	\$51,313.71	\$15,339.08	\$66,652.79
March 15, 2039	\$54,069.26	\$12,583.53	\$66,652.79
March 15, 2040	\$56,972.77	\$ 9,680.01	\$66,652.79
March 15, 2041	\$60,032.21	\$ 6,620.57	\$66,652.79
March 15, 2042	\$63,255.94	\$ 3,396.84	\$66,652.79

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

This Bond represents an issue of Local Building Authority of Virgin Town, Washington County, Utah Lease Revenue Bond, Series 2026 (the “Series 2026 Bonds”) issued for the purpose of (i) financing the cost of purchasing property for use as a town hall, public safety facility, post office and related facilities for Town purposes, and (ii) the remodelling and retrofitting of the property to be purchased (collectively, the “Project”), and (ii) paying necessary expenses incidental thereto. The Project has been leased by the Authority to Virgin Town, Washington County, Utah, a body politic of the State of Utah (the “Town”), under the terms of an annually renewable Lease Agreement dated as of February 5, 2026 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the “Lease”). Under the Lease, the Town has agreed to pay annual rental payments to the Authority (the “Base Rentals”) in consideration of its right to use the Project and for the option to purchase granted therein. In addition to the Base Rentals, the Town has agreed to pay certain other payments (the “Additional Rentals”) sufficient to pay administrative costs of the Authority, certain insurance premiums, taxes and other expenses with respect to the Project expressly required under the Lease. Under the Lease, the Town has been granted an option to purchase the Project and terminate its payment obligations with respect to the Project under the Lease at any time upon payment of the Purchase Option Price (as defined in the Lease) which amount shall be sufficient to pay the principal of, premium and interest on the Series 2026 Bonds (as hereinafter defined) as the same shall become due in accordance with their terms and provisions

at maturity or at the earliest applicable prepayment of redemption date, under the terms and provisions of the Master Resolution (as hereinafter defined). THE PURCHASE OPTION PRICE IS PAYABLE SOLELY AT THE OPTION OF THE TOWN AND THE TOWN IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE PROJECT.

This Series 2026 Bond is issued under and secured by and entitled to the protection of the Master Resolution dated as of February 2, 2026, by the Authority (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the "Master Resolution"), duly adopted by the Authority and pursuant to which all Base Rentals payable by the Town under the Lease and, if paid by the Town, the Purchase Option Price, are assigned to secure the payment of principal of, premium, if any, and interest on the Bond. Additionally, the Authority has granted a security interest in the Project to the holder of this Bond, pursuant to a deed of trust, assignment of rents and security agreement, as defined in the Master Resolution (the "Security Documents"), to further secure its obligations hereunder.

This Bond is also issued and sold upon a par with the Issuer's Lease Revenue Bond, Series 2025 (sometimes referred as the "Series 2025 Bond") in the original principal amount of \$1,800,000 payable to the State Bank of Southern Utah, under a Master Resolution of March 1, 2025. Neither the Series 2014 Bond or the Series 2011 Bond shall be entitled to any priority one over the other in the application of the Base Rental Payments (as defined in this Master Resolution described below) pledged to the payment of this Bond and the Series 2025 Bond, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or this Bond and the Series 2025 Bond in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

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

The Master Resolution provides that the Authority may hereafter issue Refunding Bond (the "Refunding Bond") or Additional Bond (the "Additional Bond") from time to time under certain terms and conditions contained therein and in the Lease and, if issued, the Refunding Bond and/or the Additional Bond will ran pari passu with this Bond and be equally and ratably secured and entitled to the protection of the Master Resolution and the Security Documents (this Bond, the

Refunding Bond and the Additional Bond are referred to herein as the “Bond”). Reference is hereby made to the Lease, the Security Documents and the Master Resolution for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Town, the Authority and the holders of the Series 2026 Bonds, the issuance of Refunding Bond or Additional Bond, the terms upon which the Series 2026 Bonds are issued and secured, the terms and conditions upon which the Series 2026 Bonds will be deemed to have been paid, at or prior to maturity or redemption of the Series 2026 Bonds, and the rights of the holders of the Series 2026 Bonds upon the occurrence of an Event of Default or an Event of Nonappropriation.

The Series 2026 Bonds and the interest thereon constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2026 Bonds and the income from the investment thereof, the proceeds of certain funds held by the Authority, the proceeds of certain insurance policies, performance Bond and condemnation awards or the proceeds, if any, from a liquidation or other disposition of the Project subsequent to foreclosure of the lien of the Master Resolution and the Security Documents, the Series 2026 Bonds and the interest thereon are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the Town under the Lease. Payments under the Lease may be made only from Town Funds (as defined in the Lease) which are budgeted and appropriated by the Town for such purpose.

Neither the Lease, the Series 2026 Bonds nor the interest thereon shall constitute or give rise to a general obligation indebtedness of the Town, or a charge against the Town or the general credit or taxing power of the Town. Neither the Town nor the Authority on its behalf, has pledged the credit of the Town to the payment of the Series 2026 Bonds, the interest thereon or amounts due or to become due under the Lease. The Authority has no taxing power.

THE TOWN IS NOT OBLIGATED TO APPROPRIATE TOWN FUNDS FOR THE PURPOSE OF PAYING BASE RENTALS, ADDITIONAL RENTALS OR THE PURCHASE OPTION PRICE UNDER THE LEASE AND NO JUDGMENT MAY BE ENTERED AGAINST THE TOWN IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2026 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE TOWN’S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE TOWN UNDER THE LEASE WILL TERMINATE AND THE SERIES 2026 BONDS AND THE INTEREST THEREON WILL BE PAYABLE SOLELY FROM AND TO THE EXTENT OF SUCH MONEYS, IF ANY, AS MAY BE HELD BY THE AUTHORITY UNDER THE MASTER RESOLUTION (EXCEPT FOR MONEYS HELD FOR BONDS NOT THEN DEEMED OUTSTANDING) AND ANY MONEYS MADE AVAILABLE FROM A LIQUIDATION OR OTHER DISPOSITION OF THE PROJECT SUBSEQUENT TO FORECLOSURE OF THE LIEN OF THE MASTER RESOLUTION AND THE SECURITY DOCUMENTS. UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE, THERE IS NO GUARANTY OR ASSURANCE OF ANY PAYMENT OF THE SERIES 2026 BONDS OR THE INTEREST THEREON.

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

This Series 2026 Bond shall be registered in the name of the Bondholder and any subsequent purchasers in an appropriate book in the office of the Secretary of the Authority, who shall be the Registrar. This Series 2026 Bond is transferable only by notation upon said book by the Bondholder hereof in person or by his attorney duly authorized in writing, by the surrender of this Series 2026 Bond, together with a written instrument of transfer satisfactory to the Authority, duly executed by the Bondholder or its attorney duly authorized in writing; thereupon, this Series 2026 Bond shall be delivered to and registered in the name of the transferee.

The Authority may deem and treat the Bondholder hereof as the absolute owner hereof (whether or not this Series 2026 Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and premium, if any, and interest due hereon and for all other purposes and the Authority shall not be affected by any notice to the contrary.

This Series 2026 Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Authority in inverse order of the due date of the principal installments hereof, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid, plus accrued interest to the day of prepayment or redemption.

If called for prepayment at any time pursuant to the provisions above, this Series 2026 Bond shall be subject to prepayment by the Authority in whole or in part except that in the event that the amount available to prepay this Series 2026 Bond under the immediately preceding paragraph, following a liquidation of all of the Project, is less than the amount required to pay the principal of and interest on this Bond to the prepayment date, this Series 2026 Bond shall be redeemed in whole and the amount available therefor applied as provided in Section 11.8(b) of the Master Resolution. Except as otherwise provided above, in the event that this Bond is prepaid, such prepayment will be made at a price (expressed as a percentage of principal amount) of 100% plus accrued interest to the prepayment date.

In the event this Series 2026 Bond or portions thereof (which shall be \$1,000 or any integral multiple thereof) are prepaid, notice of redemption shall be mailed by the Authority, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the Bondholder of this Series 2026 Bond addressed to such owner at its address appearing on the registration books maintained by the Authority. Failure to give such notice or any defect therein or in the mailing thereof shall not affect the effectiveness of the call for the prepayment by the Authority.

This Series 2026 Bond is issued pursuant to and in full compliance with the Articles of

Incorporation of the Authority and the Constitution and laws of the State of Utah, including, in particular, the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended (the “Act”), and pursuant to a resolution adopted by the Authority which authorizes the execution and delivery of the Lease, the Master Resolution, the Security Documents and the issuance of the Series 2026 Bond. As required by the Articles of Incorporation of the Authority, the Governing Body has by resolution authorized the Authority to issue this Bond and to execute and deliver the Lease, the Master Resolution, and the Security Documents.

The Bondholder of this Series 2026 Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Nonappropriation or Event of Default under the Lease or any Event of Default under the Master Resolution or the Security Documents, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Resolution.

The Master Resolution permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Authority and the rights of the holders of the Series 2026 Bonds at any time by the Authority with the consent of the Town (if an Event of Nonappropriation or an Event of Default does not then exist under the Lease) and the holders of not less than 51% in aggregate principal amount of the Series 2026 Bonds at the time Outstanding. The Master Resolution also permits waiver of compliance by the Authority with any terms of the Master Resolution with the consent of the Town (if an Event of Nonappropriation or an Event of Default does not then exist under the Lease) and the holders of not less than 51% in aggregate principal amount of the Series 2026 Bonds at the time Outstanding. Any such consent or waiver by the Bondholder of this Series 2026 Bonds shall be conclusive and binding upon such Bondholder and upon all future holders of this Series 2026 Bonds and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Series 2026 Bonds. The Master Resolution also contains provisions permitting the Authority to waive certain Events of Default under the Master Resolution and their consequences.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Master Resolution and the issuance of this Series 2026 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 2026 Bond, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory debt limitation.

IN WITNESS WHEREOF, the Authority has caused this Series 2026 Bond to be executed in its name by the facsimile or manual signature of the President of its Governing Board and its corporate seal to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of the Secretary of its Governing Board, and said officials do by the execution hereof adopt as and for the respective proper signatures their respective facsimile or manual signatures appearing hereon.

LOCAL BUILDING AUTHORITY  
OF VIRGIN TOWN

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

ATTEST:

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Secretary

(SEAL)

**REGISTRATION CERTIFICATE**

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

<u>Date of Registration</u>	<u>Name of Bondholder</u>	<u>Signature of Bond Registrar</u>
February 5, 2026	State Bank of Southern Utah	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT "B"

DESCRIPTION OF THE PROJECT  
AND THE PROJECT SITE

The Project is described as follows:

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

The Property is described as follows:

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

Property Address: 91 Mill Street  
Virgin, UT 84779