

**SANPETE COUNTY  
MUNICIPAL BUILDING AUTHORITY MEETING**

**April 20, 2010 1:05 P.M.**

Sanpete County Courthouse, 160 North Main, Room 303, Manti, Utah

Present are: Municipal Building Authority President Claudia Jarrett, Board of Trustee Members Spencer Cox and Steve Frischknecht, Secretary Sandy Neill and County Attorney Ross Blackham. Present from the media is C.R. Truitt. Also present are Ken Chamberlain, Ferrel E. Marx, and Ron and Sarah Barlow.

Meeting is called to order by Municipal Building Authority President Claudia Jarrett.

**CONSIDERATION AND ADOPTION OF A RESOLUTION AUTHORIZING AN ANNUALLY RENEWABLE LEASE, A MASTER RESOLUTION, SECURITY DOCUMENTS AND THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS \$550,000 MUNICIPAL BUILDING AUTHORITY OF SANPETE COUNTY, UTAH LEASE REVENUE BOND, SERIES 2010 TO FINANCE THE COST OF CONSTRUCTING A FACILITY, TO BE USED AND OPERATED BY THE CENTRAL UTAH MENTAL HEALTH/SUBSTANCE ABUSE CENTER AUTHORITY BOARD; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED**

Ken Chamberlain, bond counsel for Central Utah Mental Health explains that the Building Authority is an entity that has been created so that the County can lease facilities owned by the building authority and create a source of revenue. The building authority will be the owner, and will lease the facility to Central Utah Mental Health. The revenue from that lease will make the annual payments on the loan. A loan payable for 30 years at zero interest will pay for one half of the facility, and a grant will pay for the other half.

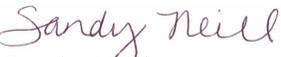
Motion is made Trustee Member Frischknecht to adopt Resolution 04-20-2010 MBA, authorizing an annually renewable lease, a master resolution, security documents and the issuance and sale by the authority of its \$550,000 Municipal Building Authority of Sanpete County, Utah lease revenue bond, Series 2010 to finance the cost of constructing a facility, to be used and operated by the Central Utah Mental Health/Substance Abuse Center Authority Board; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated. The motion is seconded by Trustee Cox, and the motion passes.

**APPROVAL OF MINUTES**

Motion is made by Trustee Frischknecht to approve the minutes from the March 16, 2010 meeting with minor changes. The motion is seconded by Trustee Cox, and the motion passes.

With no more business before the Municipal Building Authority, motion is made by Trustee Cox to adjourn. The motion is seconded by Trustee Frischknecht, and the motion passes.

Meeting is adjourned at 1:11 P.M.

ATTEST:   
Sandy Neill  
Secretary

APPROVED:   
Claudia Jarrett  
President

RESOLUTION NO. 04-20-2010 MBA

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MUNICIPAL BUILDING AUTHORITY OF SANPETE COUNTY, UTAH AUTHORIZING AND APPROVING THE EXECUTION BY THE AUTHORITY OF AN ANNUALLY RENEWABLE LEASE AGREEMENT, BY AND BETWEEN THE AUTHORITY AND SANPETE COUNTY, UTAH (THE "COUNTY"); AUTHORIZING THE ISSUANCE AND SALE OF ITS LEASE REVENUE BOND, SERIES 2010 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$550,000 (THE "BOND"); AUTHORIZING THE EXECUTION BY THE AUTHORITY OF A MASTER RESOLUTION, SECURITY DOCUMENTS AND OTHER RELATED DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE FINANCING OF THE COST OF CONSTRUCTING A FACILITY TO BE USED AND OPERATED BY THE CENTRAL UTAH MENTAL HEALTH/SUBSTANCE ABUSE CENTER AUTHORITY BOARD; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.**

WHEREAS, Sanpete County, Utah (the "County") has previously authorized and directed the creation of the Municipal Building Authority of Sanpete County (the "Authority") pursuant to the provisions of a Resolution adopted on September 2, 1997 (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the Board of Commissioners contained in the

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

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

WHEREAS, the Authority intends to construct a facility to be leased and used by the Central Utah Mental Health/Substance Abuse Center Authority Board; and

WHEREAS, the County desires to lease, as lessee on an annually renewable basis, said facility for use by the County in the furtherance of a public purpose; and

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

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

WHEREAS, to finance the costs of acquiring and constructing the Project, the Authority proposes to issue its Lease Revenue Bond, Series 2010 in the total principal amount of \$550,000 (the "Series 2010 Bond") pursuant to a Master Resolution, in substantially the form presented to this meeting and attached hereto as Exhibit "B" (the "Master Resolution"), the Authority proposes to secure its payment obligations under the Series 2010 Bond by executing a Deed of Trust, Assignment of Rents and Security Agreement and financing statements with respect to the Project in substantially the forms presented to this meeting and attached hereto as Exhibit "C" (collectively the "Security Documents") for the benefit of the holders of the Series 2010 Bond; and

WHEREAS, the Series 2010 Bond shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Project to the County on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the County or constitute a charge against its general credit or taxing power; and

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

WHEREAS, the State of Utah Permanent Community Impact Fund Board (the "Purchaser") has offered to purchase the Series 2010 Bond and the Authority desires to sell the Series 2010 Bond; and

WHEREAS, the Purchaser has offered to purchase the Series 2010 Bond at a purchase price of \$550,000; and

WHEREAS, the Board of Commissioners, by its Resolution dated April 20, 2010 (the "County Resolution") shall authorize, approve and direct the execution of the Lease and shall authorized the issuance of the Series 2010 Bond and acquisition of the Project, and shall further authorize the execution of the Lease, the Master Resolution and the Security Documents, and certain other acts to be taken by the Authority in connection therewith;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MUNICIPAL BUILDING AUTHORITY OF SANPETE COUNTY AS FOLLOWS:

**Section 1.** All action heretofore taken (not inconsistent with the provisions of this Resolution, the County Resolution or the Creating Resolution) by the Governing Board and by the officers of the Authority directed toward the issuance of the Series 2010 Bond are hereby ratified, approved and confirmed.

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

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

**Section 4.** The Master Resolution in substantially the form presented to this meeting and attached hereby as Exhibit "B" is in all respects authorized, approved and confirmed. The President of the Authority is hereby authorized to execute and deliver the Master Resolution in the form and with substantially the same content as set forth in Exhibit "B" for and on behalf of the Authority.

**Section 5.** For purposes of providing funds (1) to acquire and construct the Project; and (2) to pay certain costs of issuance of the Series 2010 Bond, and for such other purposes as may be authorized under the Master Resolution, the Authority shall issue the Series 2010 Bond which shall be designated the "Municipal Building Authority of Sanpete County Lease Revenue Bond, Series 2010."

**Section 6.** The Authority hereby authorizes the issuance of the Series 2010 Bond in the aggregate principal amount of \$550,000 and the sale of the Series 2010 Bond to the State of Utah Permanent Community Impact Fund Board (the "Purchaser") at a purchase price of \$550,000. The

Series 2010 Bond shall be dated, shall be issued as a fully registered bond, and shall mature as provided in the Master Resolution.

The forms, terms and provisions of the Series 2010 Bond and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolution in the form to be executed by the Authority. The Series 2010 Bond shall mature prior to the expiration of the estimated useful life of the Project. The President of the Authority is hereby authorized to execute the Series 2010 Bond, to place thereon the seal of the Authority and to deliver the Series 2010 Bond to the Purchaser. The Secretary of the Governing Board of the Authority is authorized to attest to the signature of the President and affix the seal of the Authority to the Series 2010 Bond and to authenticate the Series 2010 Bond. The signatures of the President and the Secretary of the Governing Board of the Authority may be by facsimile or manual execution.

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

**Section 8.** The appropriate officers of the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction as contemplated thereby and are authorized to take all action necessary in conformity with the Acts and the Articles to lease the Project to the County pursuant to the Lease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2010 Bond.

**Section 9.** Upon the issuance, the Series 2010 Bond will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2010 Bond and the Master Resolution. No provision of this resolution or of the Lease, the Master Resolution, the Security Documents, the Series 2010 Bond, or any other instrument, shall be construed as creating a general obligation of the County, or as incurring or creating a charge upon the general credit of the County or its taxing powers. As specified by the County in the County Resolution, the County shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost of making any payment in respect of the Series 2010 Bond, except in connection with the payment of the Base Rentals, Additional Rentals, and Purchase Option Price, pursuant to the Lease (as those terms are defined in the Lease), which may be terminated by the County on any annual renewal date thereof in accordance with the provisions of such Lease.

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

Utah or the United States.

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

**Section 12.** The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the Lease, the Master Resolution, the Security Documents, the Series 2010 Bond, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the County or the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and any resolution of the Authority.

**Section 13.** In consideration of the purchase of the Series 2010 Bond by the holders thereof from time to time, the obligations and undertakings of the County under the Lease, and in accordance with the provisions of the Act and the Articles, the Authority does hereby pledge to and agree with the holders of the Series 2010 Bond and the County that the Authority, to the extent of its powers under the Articles and under the Constitution and laws of the State of Utah, including the Act, will not alter, impair or limit the rights vested in the holders of the Series 2010 Bond or the County until the Series 2010 Bond is deemed to have been discharged in accordance with the terms and provisions of the Master Resolution, the Lease, and the Security Documents.

**Section 14.** After any of the Series 2010 Bond is delivered to the Purchaser and upon receipt of payment therefore, this Resolution shall be and remain irrevocable until the Series 2010 Bond is deemed to have been fully discharged in accordance with the terms and provisions of the Master Resolution.

**Section 15.** In accordance with the provisions of Section 17D-2-601, Utah Code Annotated 1953, as amended, the Authority has designated the Sanpete News, a newspaper of general circulation in the County as the official newspaper of the Authority authorized to publish legal notices for the Authority, and in accordance with Section 17D-2-601, Utah Code Annotated 1953, as amended, the Secretary has caused a "Notice of Bonds to be Issued" with respect to the Series 2010 Bond to be published one time in the Sanpete News and has caused a copy of this Resolution (together with all exhibits hereto) to be kept on file in her office at 160 North Main, Manti, Utah, for public examination during the regular business hours of the Board until at least thirty (30) days from and after the date of publication thereof.

**Section 16.** All bylaws, orders and resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

**Section 17.** This Resolution shall become effective immediately upon adoption by the Governing Board of the Authority.

ADOPTED AND APPROVED by the Board of Trustees of the Municipal Building Authority of Sanpete County, Utah, this 20th day of April, 2010.

MUNICIPAL BUILDING AUTHORITY  
OF SANPETE COUNTY

By *Lauda Garrett*  
President

ATTEST:

*Sandy Neill*  
Secretary



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

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

MUNICIPAL BUILDING AUTHORITY  
OF SANPETE COUNTY

By *Lauda Garrett*  
President

ATTEST:

*Sandy Neill*  
Secretary

