



NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN THAT the governing board of the Local Building Authority of Wellington City, Utah (the "Authority Board" and the "Authority," respectively) adopted a resolution (the "Resolution") declaring its intention to issue lease revenue bonds (the "Bonds") pursuant to the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and calling the public hearing described below.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Authority shall hold a public hearing on September 9, 2020, at 6:00 p.m., or as soon thereafter as feasible. The location of the public hearing is at the Council Chambers located at 150 W. Main, Wellington, Utah. The purpose of the public hearing is to receive input from the public with respect to the issuance of the Bonds and the potential economic impact that the improvement, facility, or property for which the Bonds will pay all or part of the cost will have on the private sector. All members of the public are invited to attend and participate.

PARAMETERS OF THE BONDS

The Authority intends to issue the Bonds as Lease Revenue Bonds in an aggregate principal amount of not to exceed \$265,000, to bear interest at the rate or rates of not to exceed 1.0% per annum, to mature in not more than twenty (20) years from their date or dates, and to be sold at a price not less than ninety-nine percent (99%) of the total principal amount thereof, plus accrued interest to the date of delivery. The security of the Bonds will be the fire truck and related improvements to be acquired. If Bonds are issued in the full amount above, and carried to maximum maturity, at the maximum interest rate, then the amount to be repaid will be approximately \$292,493. However, the City and Authority have obtained a funding commitment from the State of Utah Permanent Community Impact Fund Board (the "CIB") for a loan in the amount of \$218,000 at an interest rate of not more than 1.0% per annum, to be repaid over 15 years, in which event the amount to be repaid will be approximately \$235,720. The Issuer has obtained a grant commitment in the amount of \$217,000 for the Project from the CIB, none of which will need to be repaid. No taxes will be pledged for the repayment of the Bonds.

PURPOSE FOR ISSUING BONDS

The Bonds will be issued pursuant to the Resolution, and an Authorizing Resolution and Master Resolution (collectively, the "Bond Resolutions") to be adopted by the Authority Board authorizing and confirming the sale of the Bonds for the purpose of financing, in part, (i) the acquisition and lease of a fire truck (the "Equipment"), and related improvements for the benefit of the City (the "Project") for the benefit of Wellington City, Carbon County, Utah (the "City"); and (ii) paying the costs of issuing the Bonds.

A draft of the Bond Resolutions in substantially final form were before the Authority Board and were part of the Resolution at the time of the adoption of the Resolution by the Authority Board. The Bond Resolutions will be adopted by the Authority Board in such form and with such changes thereto as shall be approved by the Authority Board upon the adoption thereof; provided that the principal amount, interest rate, maturity and discount of the Bonds will not exceed the maximums set forth above.

Copies of the Parameters Resolutions and the Bond Resolutions are on file in the office of the Secretary of the Issuer at the City offices where they may be examined by appointment during regular business hours of the City offices, for a period of at least thirty (30) days from and after the last date of publication of this notice.

NOTICE IS FURTHER GIVEN that, for a period of thirty (30) days from and after the first date of the publication of this notice (the "30-day Period"), any person in interest shall have the right to contest the legality of the Bond Resolutions, the Bonds, or any provision made for the security and payment of the Bonds by filing a verified written complaint in the district court of the county in which he or she resides, and that after the 30-day period, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause for any reason, and (ii) registered voters within Wellington City may sign a written petition requesting an election to authorize the issuance of the Bonds. If written petitions which have been signed by at least 20% of the registered voters of Wellington City are filed with the Issuer during the 30-day Period, the Issuer shall be required to hold an election to obtain voter authorization prior to the issuance of the Bonds. If fewer than 20% of the registered voters of Wellington City file a written petition during the 30-day Period, then absent a referendum the Issuer may proceed to issue the Bonds without an election.

DATED: August 12, 2020

/s/ Glenna Nelson
Secretary
Local Building Authority of Wellington City, Utah

Published in the ETV Newspaper on August 19 and 26, 2020.

**WELLINGTON CITY
CARBON COUNTY, UTAH
AUTHORIZING RESOLUTION
September 9, 2020**

RESOLUTION NO.2020-016

A RESOLUTION OF THE CITY COUNCIL OF WELLINGTON CITY, CARBON COUNTY, UTAH, AUTHORIZING AN ANNUALLY RENEWABLE LEASE AGREEMENT BETWEEN THE CITY AND THE LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH; AUTHORIZING THE AUTHORITY'S \$218,000 LEASE REVENUE BONDS, SERIES 2020 FOR THE LEASE OF A FIRE TRUCK, AND RELATED IMPROVEMENTS; AUTHORIZING A MASTER RESOLUTION, SECURITY DOCUMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, Wellington City, Carbon County, Utah (the "City") is a political subdivision and body politic duly and regularly created, established, organized, and existing under and by virtue of the Constitution and laws of the State of Utah; and

WHEREAS, the City has previously authorized and directed the creation of the Local Building Authority of Wellington City, Utah (the "Authority") pursuant to the provisions of a Resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council contained in the Creating Resolution, the Authority has been duly and regularly created, established, and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the 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 1953, as amended, and its predecessor Act (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 costs on behalf of the City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the City and the Authority desire to finance, in part, the acquisition and lease of a fire truck (the "Equipment"), and related improvements for the benefit of the City (the "Project"); and

WHEREAS, the Authority desires to finance such Equipment through the issuance of its \$218,000 Lease Revenue Bonds, Series 2020 (the “Series 2020 Bonds”); and

WHEREAS, the Community Impact Board has approved a grant in the amount of \$217,000 for the Equipment; and

WHEREAS, pursuant to a Lease Agreement, to be dated as of the first of the month in which the Series 2020 Bonds are issued, between the Authority and the City, in substantially the form presented to this meeting and attached hereto as Exhibit A (the “Lease”), the City will lease, as lessee, the Equipment from the Authority on an annually renewable basis; and

WHEREAS, the plans, specifications and estimated costs of the acquisition and equipping of the Equipment including a certificate of the Fire Chief of the City for the Equipment setting forth the estimated useful life of the Equipment have been submitted to the City and approved by its City Council; and

WHEREAS, the City has determined that the cost of the lease of the Equipment is not less than the fair market value of the Equipment; and

WHEREAS, the Authority proposes to finance, in part, the acquisition and lease of a fire truck (the “Equipment”), and related improvements for the benefit of the City (the “Project”), by means of the issuance of its Lease Revenue Bonds, Series 2020 bearing interest at the rate of one percent (1.0%) per annum in the aggregate principal amount of \$218,000 (the “Series 2020 Bonds”) to be issued pursuant to the terms and provisions of a Master Resolution in substantially the form presented at this meeting and attached hereto as Exhibit B (the “Master Resolution”) and herein authorized and approved; and

WHEREAS, the Authority proposes to issue the Series 2020 Bonds pursuant to the Master Resolution, and to secure its payment obligations under the Series 2020 Bonds by executing a Security Agreement with respect to the Equipment in substantially the form presented to this meeting and attached hereto as Exhibit C (the “Security Documents”) for the benefit of the holders of the Series 2020 Bonds; and

WHEREAS, the Authority shall adopt a resolution on September 9, 2020, (the “Authority Authorizing Resolution”), which authorizes and approves the execution of the Lease, the issuance and sale by the Authority of its Series 2020 Bonds, the execution of the Master Resolution, Security Documents and other documents required in connection therewith, and the financing of the lease of the Equipment; and

WHEREAS, the Series 2020 Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Equipment to the City, on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing powers; and

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

WHEREAS, the State of Utah Permanent Community Impact Fund Board (the “Purchaser”) has offered to purchase the Series 2020 Bonds and the Authority desires to sell the Series 2020 Bonds to the Purchaser; and

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the governing body of the City and, therefore, it is necessary that the City Council authorize certain actions by the Authority in connection with the transactions contemplated by the Lease, the Master Resolution, the Series 2020 Bonds and the Security Documents; and

WHEREAS, the Mayor and other officials of the City have presented the Lease to the City Council of the City for the purpose of obtaining the approval of the City Council of the terms and provisions thereof and for the purpose of confirming the execution thereof as the official act of the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WELLINGTON CITY, CARBON COUNTY, UTAH AS FOLLOWS:

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution or the Creating Resolution) by the City Council and by the officers of the City directed toward the creation and establishment of the Authority and the leasing of the Equipment by the City are hereby ratified, approved and confirmed.

Section 2. 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 Mayor 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 City. The appropriate officials of the Authority are authorized to approve the final terms and to execute the Lease on behalf of the Authority in the form and with substantially the same content as set forth in Exhibit A for and on behalf of the Authority.

Section 3. The appropriate officials of the Authority are authorized to execute and deliver the Master Resolution, to be dated as of the first of the month in which the Series 2020 Bonds are issued, and the Security Documents, to be dated as of the first of the month in which the Series 2020 Bonds are issued, in the forms and with substantially the same content as set forth in Exhibits B and C, respectively, for and on behalf of the Authority. If the cost of the Equipment is higher than expected, a Pricing Committee consisting of the Chair of the Authority and the Fire Chief of Wellington City is authorized to finalize the Master Resolution as long as the maximum amount, interest rate, maturity, and discount are within the maximum amounts in the notice of public hearing and bonds to be issued authorized on August 12, 2020.

Section 4. The Authority is authorized to issue the Series 2020 Bonds in the aggregate principal amount of \$218,000. The Bonds shall be dated, shall bear interest at

the rate of one percent (1.0%) per annum, shall be issued as fully registered bonds, and shall mature as provided in the Master Resolution.

The Chair of the Authority is hereby authorized, on behalf of the Authority, to award the sale of the Series 2020 Bonds to the Purchaser.

The form, terms and provisions of the Series 2020 Bonds 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 2020 Bonds shall mature prior to the expiration of the estimated useful life of the Equipment. The Chair of the Governing Board of the Authority is hereby authorized to execute the Bonds, to place thereon the seal of the Authority, and to deliver the Series 2020 Bonds to the Purchaser. The Secretary of the Governing Board of the Authority is authorized to attest to the signature of such Chair of the Authority Board and to affix the seal of the Authority to the Series 2020 Bonds and to authenticate the Series 2020 Bonds. The signatures of the Chair and of the Secretary of the Governing Board of the Authority may be by facsimile or manual execution.

Section 5. The appropriate officers of the City are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction contemplated hereby, 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 2020 Bonds.

Section 6. Upon their issuance, the Series 2020 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Lease, Series 2020 Bonds, Security Documents and the Master Resolution. No provision of this Resolution, the Lease, the Master Resolution, the Series 2020 Bonds or the Security Documents, or any other instrument, shall be construed as creating a general obligation of the Authority or of creating a general obligation of the City, or as incurring or creating a charge upon the general credit of the City or against its taxing powers. The City shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost, or of making any payment in respect of the Series 2020 Bonds, 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 City on any annual renewal date thereof in accordance with the provisions of such Lease. The Authority has no taxing powers.

Section 7. The Mayor is hereby authorized to make any alterations, changes or additions in the Lease herein approved and authorized necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, to the provisions of this Resolution or the provisions of the laws of the State of Utah or the United States. Execution of said documents shall conclusively establish approval of such changes.

Section 8. The appropriate officials of the Authority are authorized to make any alterations, changes or additions to the Lease, the Master Resolution and the Security Documents herein authorized and approved 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 Creating Resolution or any resolution adopted by the City or the Authority, or the provisions of the laws of the State of Utah or the United States. Execution of said documents shall conclusively establish approval of such changes.

Section 9. 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 10. The City Recorder is hereby authorized to attest to all signatures and acts of any proper official of the City, and to place the seal of the City Recorder on the Lease. The Mayor and other proper officials of the City and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized.

Section 11. 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 2020 Bonds, and any other documents authorized, necessary or proper pursuant to this Resolution or any Resolution of 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 or 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 12. All regulations, orders and resolutions of the City or parts thereof inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any regulation, order, resolution or ordinance or part thereof.

Section 13. This Resolution shall become effective immediately upon adoption by the City Council of the City.

ADOPTED BY THE CITY COUNCIL OF WELLINGTON CITY, CARBON COUNTY, UTAH, THIS September 9, 2020.

Mayor

ATTEST AND COUNTERSIGN:

City Recorder

(C I T Y S E A L)

RECORD OF PROCEEDINGS

The City Council of Wellington City, Carbon County, Utah (the "Council") met in public session at its regular meeting place at the Council Chambers located at 150 W. Main, Wellington, Utah, on September 9, 2020, at the hour of 6:00 p.m. (the "Meeting"), or as soon thereafter as feasible, with the following members of the Council being present:

	Mayor
Glen Wells	Councilmember
Rory Bradley	Councilmember
Paula Noyes	Councilmember
Derk Bradley	Councilmember
Bethany Perea	Councilmember

Also present:

Glenna Nelson	City Recorder
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Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters were discussed, the foregoing resolution (the "Resolution") was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by Councilmember _____ and seconded by Councilmember _____, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Those voting NAY:

Those Abstaining:

Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF CITY RECORDER

I, Glenna Nelson, the duly appointed and qualified City Recorder for Wellington City, Carbon County, Utah (the “City”), do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the City Council of the City at a public meeting duly held on September 9, 2020 (the “Meeting”). The Meeting was called and noticed as required by law as is evidenced by the attached Meeting Notice and Certificate of Compliance with Open Meeting Law. The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on September 9, 2020, and is officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the City, this September 9, 2020.

City Recorder

(CITY S E A L)

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Glenna Nelson, the City Recorder for Wellington City, Carbon County, Utah (the "City"), certify according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the September 9, 2020, public meeting held by the City Council of the City (the "Meeting") as follows:

(a) By causing a Meeting Notice, in the form attached, to be posted at the City's principal offices at least 24 hours prior to the convening of the Meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the Meeting;

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the City at least 24 hours prior to the convening of the Meeting; and

(c) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least 24 hours prior to the convening of the Meeting; and

(d) By causing a copy of the Meeting Notice to be delivered to each member of the City Council of the Issuer at least twenty-four (24) hours prior to the convening of the Meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this September 9, 2020.

City Recorder

(CITY S E A L)

(Attach Meeting Notice and proof of posting thereof on the Utah Public Notice Website)

EXHIBIT A

LEASE

(See Transcript Document No. __)

EXHIBIT B

MASTER RESOLUTION

(See Transcript Document No. __)

EXHIBIT C

SECURITY DOCUMENTS

(See Transcript Document No. __)

4851-0150-8291, v. 1

LOCAL BUILDING AUTHORITY OF
WELLINGTON CITY, UTAH, AS LESSOR

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

and

WELLINGTON CITY, CARBON COUNTY, UTAH, AS LESSEE

A Political Subdivision and Body Politic of
the State of Utah

LEASE AGREEMENT

Dated as of _____ 1, 2020

Various interests of the Local Building Authority of Wellington City, Utah, in this Lease Agreement have been assigned to secure the payment of the Local Building Authority of Wellington City, Utah, Lease Revenue Bonds, Series 2020 under a Master Resolution dated as of the date hereof.

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Exhibit A

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LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease”) dated as of _____ 1, 2020, entered into by and between the LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH (the “Authority”), as lessor hereunder, a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Utah, and also acting as issuer under a Master Resolution dated as of even date herewith (the “Master Resolution”), and Wellington City, Carbon County, Utah (the “City”), as lessee hereunder, a political subdivision and body politic under the laws of the State of Utah;

WITNESSETH:

WHEREAS, the City is a political subdivision and body corporate and politic duly existing under and by virtue of the Constitution and laws of the State of Utah; and

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

WHEREAS, pursuant to the direction of the City Council of the City (the “City Council”) contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended (the “Nonprofit Corporation Act”) and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and its predecessor Act (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 costs on behalf of the City 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 City exists; and

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

WHEREAS, the Authority and the City desire to finance, in part, the acquisition and lease of a fire truck (the “Equipment”), and related improvements for the benefit of the City (the “Project”); and

WHEREAS, the City desires to lease, as lessee, on an annually renewable basis, the Equipment from the Authority and the Authority desires to lease, as lessor, the Equipment to the City under the terms and provisions set forth in this Lease; and

WHEREAS, the City has previously approved the estimated costs of the Equipment; and

WHEREAS, under the provisions of a resolution dated September 9, 2020 (the “City Authorizing Resolution”), the City Council has authorized and approved the execution of this Lease and has authorized certain actions to be taken by the Authority in connection with the financing of the Equipment, including the issuance by the Authority under the Master Resolution of its Lease Revenue Bonds, Series 2020 in the total aggregate principal amount of \$218,000 bearing interest at a rate of 1.0% per annum (the “Series 2020 Bonds”); and

WHEREAS, pursuant to the provisions of a resolution dated September 9, 2020 (the “Authority Authorizing Resolution”), the Authority Board of the Authority (the “Authority Board”) has authorized, approved and directed the execution of this Lease and has authorized, approved and directed certain actions to be taken by the Authority in connection with the financing of the Equipment, including the issuance by the Authority under the Master Resolution of its Lease Revenue Bonds, Series 2020 in the total aggregate principal amount of \$218,000 (the “Series 2020 Bonds”); and

WHEREAS, pursuant to and in accordance with the provisions of the Utah Local Building Authority Act and the Articles, the Authority proposes to undertake the financing of the Equipment and the leasing of the Equipment to the City under the terms and provisions of this Lease; and

WHEREAS, the Authority proposes to finance the Equipment, in part, through the issuance of the Series 2020 Bonds; and

WHEREAS, the Series 2020 Bonds will be secured as provided in the Master Resolution including (i) the Security Documents (defined herein) and (ii) a pledge and assignment of this Lease and the revenues and receipts derived by the Authority from the Equipment, all as more fully set forth in the Master Resolution.

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

ARTICLE I

DEFINITIONS

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

“Acts” means, collectively, the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and its predecessor Act, and the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended.

“Additional Bonds” means Bonds issued by the Authority pursuant to Section 3.9 of the Master Resolution. No additional Bonds may be issued by the Authority without the prior written consent of the CIB.

“Additional Rentals” means the cost of all taxes, insurance premiums and expenses payable by, and fees of, the Authority with respect to the Bonds and other charges and costs which the City assumes or agrees to pay exclusively from City Funds under Section 6.3 of this Lease, together with all interest and penalties that may accrue thereon in the event that the City shall fail to pay the same, as specifically set forth herein.

“Authority” means the Local Building Authority of Wellington City, Utah, a nonprofit corporation organized under the laws of the State acting in the capacity of lessor under this Lease and as issuer under the Master Resolution.

“Authority Representative” means the person or persons at any time designated to act on behalf of the Authority for purposes of performing any act on behalf of the Authority with respect to the Equipment by a written certificate furnished to the City containing the specimen signature of such person or persons and signed on behalf of the Authority by any duly authorized officer of the Authority. Such certificate may designate an alternate or alternates. The Authority Representative may be an officer or employee of the Authority or the City.

“Base Rentals” means the payments payable by the City exclusively from City Funds pursuant to Section 6.2 of this Lease during the Original Term and any applicable Renewal Term hereof (as those terms are hereinafter defined), which constitute the payments payable by the City for and in consideration of the right of use of the Equipment during such Original Term and applicable Renewal Terms and the purchase option granted herein.

“Bond Fund” shall have the meaning attributed to it in the Master Resolution.

“Bonds” shall have the meaning attributed to it in the Master Resolution.

“Business Day” means a legal business day on which banking business is transacted in the state in which the Authority has its principal office.

“CIB” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“City” means Wellington City, Carbon County, Utah, a political subdivision and body politic duly established and existing under and by virtue of the Constitution and laws of the State.

“City Funds” means all revenues, receipts and other legally available moneys, including without limitation payments received by the City from operation or subleasing of the Equipment and moneys derived from ad valorem property taxes and other taxes, to the extent the same are budgeted and appropriated by the governing body of the City for the purpose of paying Base Rentals, Additional Rentals or the Purchase Option Price hereunder during the Original or any Renewal Term in which this Lease may be in effect.

“City Representative” means the person at any time designated to act on behalf of the City for purposes of performing any act with respect to the Equipment by a written certificate furnished to the Authority containing the specimen signature of such person and signed on behalf of the City by the Mayor or any duly authorized officer thereof. Such certificate may designate an alternate or alternates. The City Representative may be an officer or employee of the Authority or the City.

“Completion Certificate” shall mean the certificate described in Section 7.3 hereof establishing the Completion Date.

“Completion Date” shall mean the date of acceptance by the City of the Equipment as evidenced by delivery of the Completion Certificate.

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

“Event of Nonappropriation” means a failure by the City to renew this Lease by failing to budget and appropriate sufficient City Funds for the payment of all or any part of the Base Rentals and Additional Rentals for any Renewal Term hereof as set forth in Section 6.6 of this Lease prior to the beginning of any Renewal Term.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies, including terrorists; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the City and not due to its negligence.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the State and who is not a full-time employee of the Authority or the City.

“Lease” means this Lease Agreement and any amendments or supplements hereto, including the exhibits attached hereto.

“Lease Term” means the duration of the leasehold estate created in the Equipment as provided in Article IV of this Lease, including the Original Term and the Renewal Terms, if any.

“Master Resolution” means the Master Resolution of the Authority dated as of the date of this Lease, pursuant to which the Bonds are authorized to be issued and certain interests of the Authority in this Lease, and the Base Rentals, Purchase Option Price and other revenues received by the Authority from the City with respect to the Equipment are to be pledged and assigned as security for the payment of principal of, premium, if any, and interest, if any, on the Bonds, including any resolution supplemental thereto.

“Net Proceeds,” when used with respect to any performance or payment bond proceeds or proceeds from policies of insurance required hereby or any condemnation award or the proceeds of any liquidation of all or portions of the Equipment, means the amount remaining after deducting all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“Original Term” means the portion of the Lease Term which terminates on June 30, 2021.

“Permitted Encumbrances” means, as of any particular time, (a) liens for taxes and assessments not then delinquent, or which the City may, pursuant to the provisions of Article IX of this Lease, permit to remain unpaid; (b) this Lease, including any security interests granted herein and therein; (c) the Master Resolution, the Security Documents and related financing statements, if any.

“Equipment” means the leasing of equipment, including a fire truck and those improvements acquired for the use and benefit of the City which are being financed with the proceeds of the Series 2020 Bonds.

“Equipment Costs” means:

(a) the actual cost of leasing, maintaining or equipping all or any part of the Equipment, including any engineer’s fees; and

(b) all expenses connected with the authorization, sale and issuance of the Bonds, including trustee initial fees, fees for outside attorneys or accountants, whose opinions are required to obtain the issuance of the Bonds, financial advisors’ fees and commissions and printing costs, those amounts as the Authority shall find necessary to establish reserves and maintenance,

repair, replacement, and contingency funds and accounts, and the interest on Bonds for a reasonable time prior to, during, and for a reasonable period of time after completion of the Equipment.

“Equipment Documents” means (a) the plans and specifications with respect to the Equipment; (b) the contract or purchase order(s) for the equipment; (c) policies of title, casualty, public liability and workers’ compensation insurance, or certificates thereof, as required by this Lease with respect to the Equipment, if any; (d) performance and payment of bonds with respect to the Equipment, if any; (e) policies of automobile or equipment, if any, casualty and public liability insurance, any and all other documents executed by or furnished to the City in connection with the acquisition and equipping of the Equipment.

“Purchase Option Price” means an amount payable, at the option of the City, at any time for the purpose of terminating the payment obligation of the City under this Lease and purchasing the Equipment, which amount, when added to the amounts then on deposit in the Bond Fund and Reserve Fund (other than moneys held by the Authority for the payment of Bonds not deemed Outstanding), shall be sufficient (a) to pay, defease, retire and/or redeem all the Outstanding Bonds, as appropriate, in accordance with the provisions of the Master Resolution (including, without limiting the generality of the foregoing, the principal of and interest to maturity or earliest applicable redemption date of the relevant Bonds, as the case may be, and premium, if any, thereon, the expenses of defeasance and/or redemption, including escrow agent fees, if any, and the Authority’s and paying agents’ fees and expenses) and (b) in case of redemption, to make arrangements satisfactory to the Authority for the giving of the required notice of redemption.

“Refunding Bonds” means Bonds issued by the Authority pursuant to Section 3.8 of the Master Resolution.

“Renewal Terms” means the optional Renewal Terms of the Lease Term as provided in Article IV of this Lease.

“Reserve Fund” shall have the meaning attributed to it in the Master Resolution.

“State” means the State of Utah.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) The City is a political subdivision and body politic duly existing as such within the State under the Constitution and laws of the State. Under the provisions of the Constitution and laws of the State, the City is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this Lease. The City agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence.

(b) The Authority has by this Lease leased the Equipment to the City as hereinafter provided. It is understood by the parties hereto that the Authority shall have all rights, title and interest in the Equipment, subject to Permitted Encumbrances.

(c) During the Lease Term, the Equipment will at all times be used for the purposes described herein consistent with the permissible scope of the Authority and the City under the Constitution and laws of the State.

(d) The City is not in default under any of the provisions of the laws of the State which default would affect its existence or its powers referred to in subsection (a) of this Section 2.1. Neither the execution and delivery of this Lease nor the issuance and sale of the Bonds, nor the performance by the City of its obligations under this Lease will constitute on the part of the City a breach of or a default under, any existing law, court or administrative regulation, decree, order or any material agreement, indenture, mortgage, lease or any other instrument to which the City is subject or by which it is or may be bound.

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

(f) The acquisition of the Equipment will be accomplished in accordance with all applicable laws and is necessary and appropriate for accomplishing one or more of the authorized functions or public purposes of the City and is suitable for such purpose and in furtherance of the purposes of the City and the best interests of the citizens of the City.

Section 2.2 Representations, Covenants and Warranties of the Authority. The Authority represents, covenants and warrants for the benefit of the City as follows:

(a) The Authority is a nonprofit corporation duly incorporated and in good standing under the laws of the State and is duly qualified to transact business in the State, is not in violation of any provision of its Articles or its Bylaws, has the corporate power and authority to enter into this Lease and has duly authorized and approved the execution and delivery of this Lease by proper corporate action.

(b) The Authority agrees that, so long as this Lease has not been terminated, it will maintain its corporate existence, will continue to be a corporation in good standing under the laws of the State, will not dissolve or otherwise dispose of all or substantially all of its assets, except as provided in this Lease, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

(c) The Authority has, or will acquire, ownership of the Equipment (subject to Permitted Encumbrances). The Authority has by this Lease leased the Equipment to the City as hereinafter provided. It is understood by the parties hereto that the Authority shall have all rights, title and interest in the Equipment, subject to Permitted Encumbrances.

(d) The Authority will not pledge the Base Rentals, the Additional Rentals, Purchase Option Price or any of its other rights hereunder and will not assign its interest in or encumber the Equipment except as provided hereunder and under the Master Resolution and the Security Documents. All property and moneys received by the Authority for the City will, so long as no Event of Nonappropriation or Event of Default shall occur, be applied for the benefit of the City, and all property and moneys received by the Authority hereunder with respect to the Equipment and under the Master Resolution for the Bondholders of the Bonds will be applied for the proportionate benefit of said Bondholders.

(e) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Authority except Permitted Encumbrances.

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

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

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

(i) The Authority gave notice of its intent to issue the Series 2020 Bonds and no petition meeting the requirements of the Utah Local Building Authority Act was submitted during the 30-day period following publication of such notice.

ARTICLE III

DEMISING CLAUSE

The Authority hereby demises and leases the Equipment to the City and the City leases the Equipment from the Authority, subject only to Permitted Encumbrances in accordance with the provisions of this Lease, to have and to hold under this Lease unless sooner terminated as expressly provided herein. Nothing in this Lease shall be construed to require the City to operate the Equipment other than as the lessee hereunder or to exercise its right to purchase the Equipment or any portion thereof as provided in Article XII of this Lease.

The Authority will cause to be furnished at the time of delivery of the Series 2020 Bonds, or at a time designated by the CIB, evidence of ownership or title to the Equipment, in particular, title if issued by the Utah Department of Motor Vehicles.

The Authority shall be empowered, after an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under this Lease, or the Master Resolution or the Security Documents, to collect the amounts payable hereunder or under any sublease and apply those amounts to the Base Rentals and Additional Rentals, as appropriate, for the current renewal term. Except as otherwise provided hereunder or under any sublease, no such collection shall be deemed a waiver of any agreement, term, covenant or condition hereof, or the acceptance of any sublessee as lessee hereunder.

ARTICLE IV

LEASE TERM

Section 4.1 Commencement of Lease Term. The Lease Term shall commence as of the date of delivery of the Series 2020 Bonds and shall terminate at midnight on June 30, 2021. The Lease Term may be continued, solely at the option of the City, beyond the termination of the Original Term for an additional year, the first “Renewal Term”, and for 15 consecutive additional Renewal Terms thereafter each of one year in duration (except that the final Renewal Term shall commence July 1, 2035, and end on June 30, 2036), upon the City having budgeted and appropriated, prior to the end of the then current Original or Renewal Term, sufficient City Funds for the payment of Base Rentals and reasonably estimated Additional Rentals to become due during the next following Renewal Term, it being understood that by budgeting and appropriating such amounts, the City shall have elected to continue the Lease Term for the next following Renewal Term and shall have given adequate notice thereof as contemplated by the Utah Local Building Authority Act, and it being further understood that if no payment is due and owing during a Renewal Term, the City shall be deemed to have continued the Lease Term for said Renewal Term. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Base Rentals and Purchase Option Price shall be as otherwise provided herein.

Notwithstanding anything contained elsewhere herein to the contrary, (a) the Lease Term will be automatically renewed prior to the Completion Date of the Equipment, since the City will not be required to budget and appropriate funds for the payment of Base Rentals until such date and (b) should the City budget and appropriate funds for the payment of Base Rentals and reasonably estimated Additional Rentals to become due during the following Renewal Term with respect to the Lease, the City shall automatically be deemed to have continued the Lease Term for such Renewal Term. Should the City fail to budget and appropriate funds for the payment of Base Rentals and reasonably estimated Additional Rentals to become due during the following Renewal Term under the Lease, the City may, nevertheless elect to continue the Lease Term in accordance with the provisions hereof.

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

- (a) the occurrence of an Event of Nonappropriation;
- (b) the exercise by the City of its option to purchase the Equipment, granted under the provisions of this Lease;
- (c) an Event of Default and the election of the Authority to terminate this Lease under Article XIV hereof;
- (d) the discharge of the lien of the Master Resolution under Article IX thereof;

(e) the termination of the Lease Term pursuant to Section 10.3 of this Lease under the conditions provided therein; or

(f) June 30, 2036, which date constitutes the last day of the final Renewal Term of this Lease, upon payment of all Base Rentals and Additional Rentals required hereunder.

ARTICLE V

ENJOYMENT OF EQUIPMENT

Subject to the provisions of the Lease, the Authority hereby covenants to provide the City during the Lease Term with quiet use and enjoyment of the Equipment, and the City shall during the Lease Term peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from the Authority or the Bondholders, except as expressly set forth herein and in the Master Resolution and the Security Documents. Neither the Authority nor any Bondholder shall interfere with such quiet use and enjoyment during the Lease Term so long as no Event of Default or Event of Nonappropriation shall have occurred. The Authority shall, at the request of the City and at the cost of the City, join in any legal action in which the City asserts its right to such possession and enjoyment, to the extent that the Authority may lawfully do so. In addition, the City may at its own expense join in any legal action affecting its possession and enjoyment of the Equipment and shall be joined as a party in any action affecting its liabilities hereunder.

The Authority shall have the right at all reasonable times during business hours (and in emergencies at all times) to enter into and upon the Equipment for the purpose of inspecting the same.

ARTICLE VI

PAYMENTS BY THE CITY

Section 6.1 Payments to Constitute a Current Expense of the City. The City and the Authority acknowledge and agree that the obligation of the City to pay Base Rentals and Additional Rentals hereunder constitutes a current expense of the City payable exclusively from City Funds and shall not in any way be construed to be an obligation or indebtedness of the City within the meaning of Sections 3 or 4 of Article XIV of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the City concerning the creation of indebtedness. No provision of this Lease shall be construed or interpreted as a lending of the credit of the City within the meaning of Section 29 of Article VI of the Utah Constitution. Neither the City, nor the Authority on its behalf, has pledged the credit of the City to the payment of the Base Rentals, the Additional Rentals, the Purchase Option Price, the Bonds or the interest, If any, thereon, and neither this Lease, the Security Documents, the Master Resolution nor the Bonds, if any, shall directly or contingently obligate the City to apply money, or to levy or pledge any form of taxation, to the payment of the Base Rentals, the Additional Rentals, the Purchase Option Price, the Bonds or any interest thereon except as expressly provided herein.

Section 6.2 Payment of Base Rentals. The City shall pay Base Rentals exclusively from City Funds. The City shall pay Base Rentals during the Original Term and any Renewal Term in such amounts as shall be sufficient to make payments on the Bonds when due. The Base Rentals shall be payable directly to the Authority in annual payments in such amounts as shall equal the interest payments, if any, falling due on the Bonds on the next succeeding interest payment date and the principal payments falling due on the Bonds, either by regularly scheduled maturities or by mandatory sinking fund redemption, on the next succeeding principal payment date, such that there shall be on deposit with the Authority at least fifteen (15) days prior to each principal and/or interest, if any, payment date on the Bonds an amount sufficient to make such payment. In addition, until the Reserve Fund with respect to the Bonds is at all times fully funded to the Reserve Fund Requirement, the City shall, in the event it elects to renew this Lease during the following Renewal Term, and as a condition of renewal, pay to the Authority in annual payments Additional Rentals during the following Renewal Term, in an amount sufficient to fund or replenish the Reserve Fund to the Reserve Fund Requirement as provided in the Master Resolution. Notwithstanding anything contained herein to the contrary, no payment of Base Rentals or Additional Rentals shall be required to be paid prior to delivery of the Equipment to the City for occupancy, provided, however, that as substantial portions of the Equipment are available for operation the City shall pay Base Rentals in proportion to the portion available. The amount of the Base Rentals otherwise payable by the City hereunder shall be reduced by an amount equal to (a) earnings on the investment of the Bond Fund, (b) moneys transferred to the Bond Fund from the Reserve Fund pursuant to the last paragraph of Section 6.7 of the Master Resolution which moneys are applied to pay the principal of and interest, if any, on the Bonds, (c) any moneys paid by the Authority for the purchase of the Bonds and the cancellation thereof or which are otherwise deposited in the Bond Fund, other than moneys paid as Base

Rentals or the Purchase Option Price. Base Rentals due at least fifteen (15) days prior to any Bond payment date shall be in consideration for the use of the Equipment by the City during the one-year period succeeding each Bond payment date and for the option to purchase the Equipment granted herein.

It is understood and agreed by the City that, subject to the terms of this Lease and the Master Resolution, all Base Rentals payable under this Section 6.2 by the City, the Additional Rental payable under Section 6.3(j) of this Lease for deposit into the Reserve Fund under the Master Resolution, as well as the Purchase Option Price, if paid with respect to the Equipment, are pledged by the Authority for the benefit of the Bondholders. The City assents to such pledge. The Authority hereby directs the City, and the City hereby agrees to pay to the Authority at its principal office, all Base Rentals and Additional Rentals payable by the City pursuant to this Section 6.2 and Section 6.3(j), respectively hereof and, if paid, the Purchase Option Price.

The amount of the Base Rentals and Purchase Option Price otherwise payable shall be reduced as appropriate to reflect any redemption of Bonds and/or the purchase of Bonds and the cancellation thereof in advance of their maturity; provided, however, that adequate provision shall be made for the payment of any Additional Bonds or Refunding Bonds. If at any time the amounts held by the Authority in the Bond Fund and the Reserve Fund (other than moneys held for the payment of Bonds not deemed Outstanding) shall be sufficient to pay at the times required the principal of and interest and redemption premium, if any, on all of the Bonds (including any Additional Bonds and Refunding Bonds) then Outstanding, the City shall not be obligated to pay any further Base Rentals hereunder.

Section 6.3 Payment of Additional Rentals with Respect to the Equipment. In addition to the Base Rentals and as part of the total consideration for the use of the Equipment and the option to purchase the Equipment, and commencing upon delivery of possession of the Equipment or any substantial portion thereof, as provided in Section 6.2 of this Lease and continuing throughout the period that the City pays Base Rentals, the City shall pay the following Additional Rentals, exclusively from City Funds, during the Original Term and any Renewal Terms thereof as hereinafter provided:

- (a) the annual fee of the Authority for the ordinary services of the Authority rendered and its ordinary expenses incurred under the Master Resolution;
- (b) the reasonable fees and charges of the Authority and any paying agent appointed under the Master Resolution with respect to the Bonds for acting as paying agent as provided in the Master Resolution;
- (c) the reasonable fees and charges of the Authority for extraordinary services rendered by it and extraordinary expenses incurred by it as Authority under the Master Resolution;

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

(e) the costs of maintenance and repair as required under Section 9.1 of this Lease;

(f) the costs of taxes, governmental charges, utility charges, management and operations expenses, liens and encumbrances as required under Section 9.3 of this Lease;

(g) the costs of casualty, public liability and property damage and worker's compensation insurance as required under Sections 9.4, 9.5 and 9.6 of this Lease;

(h) the amount of any tax or excise on the Base Rentals, Additional Rentals, Purchase Option Price or any other tax, however described, levied, assessed or imposed by the United States Government, the State or any political subdivision or any taxing authority thereof against the Authority; and

(i) an amount equal to any franchise, succession, capital levy or transfer tax or any income, excess profits or revenue tax, or any other tax, assessment, charge or levy upon the Base Rentals, Additional Rentals or the Purchase Option Price payable by the City pursuant to this Lease.

(j) the amount required to fund and maintain the Reserve Fund as provided in Section 6.7 of the Master Resolution.

The Additional Rentals specified in subsections (a), (b) and (c) shall be payable to the Authority and shall be due and payable within ten (10) days after notice in writing from the Authority to the City stating the amount of Additional Rentals then due and payable and the purpose thereof. Except as otherwise provided herein or in the Master Resolution, the Additional Rentals specified in subsections (d), (e), (f), (g), (h) and (i) shall be payable to the Authority or directly to the person or entity with respect to which such costs were incurred and shall be due and payable at such time as the Authority or such person or entity shall require. The Additional rental specified in subsection (j) shall be payable to the Authority and shall be due and payable as provided in the Master Resolution and Exhibit A hereto.

Section 6.4 Manner of Payment. The Base Rentals, Additional Rentals and, if paid, the Purchase Option Price, shall be paid exclusively from City Funds and in lawful money of the United States of America. The obligation of the City to make payment of the Base Rentals and Additional Rentals required under this Article VI and other sections hereof and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events except as expressly provided hereunder. Notwithstanding any dispute between the City and the Authority, any Bondholder, any contractor or subcontractor retained with respect to the acquisition and equipping of the Equipment, any supplier of labor or materials in connection therewith or any other person, the City shall pay all payments of Base Rentals and Additional Rentals, from and

to the extent of available City Funds, when due, and shall not withhold any Base Rentals or Additional Rentals pending final resolution of such dispute, nor shall the City assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. The obligation of the City to pay Base Rentals and Additional Rentals during the Original Term and the then current Renewal Term shall be absolute and unconditional in all events, except as expressly provided herein, and payment of the Base Rentals and Additional Rentals shall not be abated through accident or unforeseen circumstances.

Section 6.5 Expression of Need for the Equipment by the City; Determination of Purchase Price. The City hereby declares that, as of the date of the execution of this Lease, the City currently has an essential need for the Equipment which is the subject of this Lease to carry out and give effect to the public purposes of the City. By the execution hereof, the City and the Authority hereby agree and determine that the Base Rentals and Additional Rentals payable hereunder are reasonable and that the Purchase Option Price represents, as of the end of the Original Term or any Renewal Term, a reasonable purchase price of the Equipment. In making such determination the City and the Authority have given consideration to the costs of the Equipment, the cost of financing the Equipment, the uses and purposes for which the Equipment will be employed by the City and the benefit to the citizens of the City by reason of the City's use and occupancy of the Equipment pursuant to the provisions of this Lease.

Section 6.6 Nonappropriation. In the event that sufficient City Funds shall not be budgeted and appropriated by the City prior to the beginning of any Renewal Term for the payment of the (a) Base Rentals becoming due during such Renewal Term, and (b) such Additional Rentals becoming due during such Renewal Term which can be determined with reasonable accuracy, then an Event of Nonappropriation shall be deemed to have occurred as of the first day of such Renewal Term and the City shall not be obligated to make payment of the Base Rentals or Additional Rentals provided for herein beyond the last day of the Renewal Term preceding such Event of Nonappropriation. Subject to the provisions of the next succeeding sentence, once the City has elected to continue this Lease for a Renewal Term by budgeting and appropriating sufficient City Funds for the payment of Base Rentals and Additional Rentals hereunder the City shall, as of the first day of such Renewal Term, be obligated to pay such Base Rentals and Additional Rentals during such Renewal Term. If the City fails to pay any Base Rentals or Additional Rentals due under this Lease, or upon an Event of Nonappropriation the City shall immediately quit and vacate the Equipment and its obligation to pay Base Rentals or Additional Rentals hereunder shall terminate. The Authority shall, upon the occurrence of an Event of Nonappropriation, have all rights and remedies to take possession of the Equipment as trustee for the benefit of the Bondholders and shall hold in trust for the Bondholders all moneys then on hand and being held in all funds created under the Master Resolution. All property, funds and rights acquired by the Authority by reason of an Event of Nonappropriation as provided herein shall be held by the Authority under the Master Resolution for the benefit of the Bondholders as set forth in said Master Resolution until the principal of, and premium, and interest, if any, on the Bonds are paid in full and any excess shall thereafter be paid to the City.

The parties hereto agree that, upon the occurrence of an Event of Nonappropriation, the City shall immediately surrender the Equipment to the Authority so that the Authority may sell the Equipment pursuant to the Security Agreement.

Section 6.7 Application of Base Rentals, Additional Rentals and Purchase Option Price. All Base Rentals, the Additional Rentals specified in subsections (a), (b), (c) and (d) of Section 6.3 hereof, and, if paid by the City, the Purchase Option Price shall be paid to the Authority for application in accordance with the Master Resolution.

Section 6.8 Request for Appropriation. To the extent permitted by law, the City covenants and agrees as follows:

(a) During the term of this Lease, the City covenants and agrees (i) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of the City in accordance with applicable law an item for expenditure of an amount necessary (after taking into account any moneys then legally available for such purpose, including but not limited to such revenues and receipts, if any, as may be generated by the City's operation or subleasing of the Equipment) to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided herein) for the Equipment during the next succeeding Renewal Term, and (ii) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of the City for its consideration includes the Appropriation of moneys sufficient to pay such Base Rentals and Additional Rentals for each such Renewal Term, including all such actions for such purpose as may be required under the Uniform Fiscal Procedures Act for Cities, Title 10, Chapter 6, Utah Code Annotated 1953, as amended (the "Uniform Fiscal Procedures Act"). The first such inclusion in the City's annual tentative budget shall be made under applicable law in the fiscal year prior to the fiscal year commencing July 1, 2021, so that the Base Rentals payable during such Renewal Term and the reasonably estimated Additional Rentals payable during such Renewal Term will have been appropriated for such purpose, and subsequent inclusions in each respective tentative budget for appropriations by the City shall be made in each fiscal year thereafter so that the Base Rentals to be paid during the succeeding Renewal Term and Additional Rentals payable during such Renewal Term will be available for such purposes and be available for payment pursuant to this Lease on May 15, 2021. Subsequent Appropriations shall be made by the City in each fiscal year thereafter so that the Base Rentals to be paid for the succeeding Renewal Term and Additional Rentals payable for such Renewal Term will be available for such purposes as long as the governing body of the City determines to include the Appropriation in the final budget as adopted.

(b) To effect the covenants set forth in (a) above, the City hereby directs its "budget officer" (as such term is defined in the Uniform Fiscal Procedures Act, or any other officer at the time charged with the responsibility of formulating budget proposals) to include in the tentative budget prepared annually by such budget officer or other officer and submitted to the governing body of the

City, in any year in which this Lease is in effect, items for all payments required for the ensuing Renewal Term under this Lease. It is hereby expressed as the intention of the City that the decision to renew or not to renew the term of this Lease is to be made solely by the governing body of the City at the time it considers for adoption the final budget for each of its fiscal years and corresponding Renewal Terms hereunder, and not by any official of the City, acting in his or her individual capacity as such. In this connection, the City hereby covenants and agrees that such budget officer or other officer shall not amend, modify or otherwise change the appropriations made in any finally adopted budget for the payment of any Base Rentals or Additional Rentals without the express prior approval of the governing body of the City.

ARTICLE VII

ACQUISITION OF THE EQUIPMENT AND ISSUANCE OF SERIES 2020 BONDS

Section 7.1 Agreement to Acquire the Equipment. The City and the Authority agree that the Authority shall cause the Equipment to be acquired as herein provided, all of which acquisition shall be made in accordance with the plans and specifications for the Equipment as approved by the City and the Authority. The Authority hereby agrees that in order to effectuate the purposes of this Lease, it will make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for the acquisition of the Equipment.

The Authority agrees to acquire the Equipment through the application of moneys to be disbursed from the Escrow Account (as defined in the Master Resolution) by the Authority upon the authorization of the Authority Representative in accordance with the Master Resolution.

The Authority agrees to cause the acquisition of the Equipment to be completed with all reasonable dispatch, and to use its best efforts to cause the same to be completed by December 31, 2021, or as soon thereafter as may be practicable, subject only to delays caused by Force Majeure excepted; but if for any reason the Equipment is not completed by said date, there shall be no resulting liability on the part of the Authority or Event of Default hereunder.

Section 7.2 Agreement to Issue the Series 2020 Bonds; Application of Bond Proceeds. To provide funds to finance the Equipment (as described herein), the Authority, concurrently with the execution of this Lease, will issue, sell and deliver to the purchasers thereof the Series 2020 Bonds and the Authority will deposit the proceeds thereof in the Escrow Account as provided in the Master Resolution. Moneys shall be disbursed from the Escrow Account in accordance with the terms of the Escrow Agreement.

Section 7.3 Establishment of Completion Date; Disbursement of Balance of Escrow Account. The Completion Date shall be evidenced by a certificate signed by the Authority Representative and the City Representative stating that, except for amounts retained by the Authority in its discretion for any Equipment costs not then due and payable, (a) the acquisition of the Equipment has been completed in accordance with the plans and specifications and all labor, services, materials and supplies used in such acquisition have been paid for, (b) all other facilities necessary in connection with the Equipment have been acquired and installed to their satisfaction, (c) the Equipment is suitable and sufficient for its intended purposes, and (d) all costs and expenses incurred in the acquisition of the Equipment have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Upon receipt of such certificate, the Authority shall terminate the Escrow Account and

disburse any remaining moneys on deposit therein to the Bond Fund to be used to prepay the Bonds as provided in the Escrow Agreement.

Section 7.4 Sufficiency of Escrow Account. In the event that the moneys held in the Escrow Account are insufficient to pay all Equipment Costs, the City and the Authority hereby agree (a) to reduce the scope of the Equipment (particularly, flexible costs of the Equipment) in order that all of such costs will be covered without the necessity of issuing Additional Bonds, or (b) to deposit additional moneys in the Escrow Account either through the issuance of Additional Bonds or from other legally available moneys sufficient to complete acquisition of the Equipment.

Section 7.5 Investment of Bond Fund and Reserve Fund Moneys. Subject to the provisions of Article VI of the Master Resolution, any moneys held as a part of the Bond Fund, the Reserve Fund or any other fund created under said Master Resolution shall be invested and reinvested by the Authority in Investment Obligations (as defined in the Master Resolution).

Section 7.6 Right to Inspect Equipment Documents, Etc. The District shall have and keep on file and available for inspection by the Authority copies of the Equipment Documents, throughout the Lease Term or as soon after commencement of the Lease Term as such Equipment Documents shall become available to the City. Neither the Equipment Documents nor any change or amendments thereto shall (i) cause the Equipment to be used for any purpose prohibited by this Lease or by the Constitution and laws of the State of Utah; (ii) result in a material reduction in the fair rental value of the Equipment; or (iii) adversely affect the ability of the City to meet their respective obligations hereunder.

ARTICLE VIII

TITLE TO THE EQUIPMENT; CONVEYANCE TO THE CITY; SECURITY INTEREST

Section 8.1 Title to the Equipment. Title to the Equipment and any and all additions, repairs, replacements or modifications thereto, shall be held in the name of the Authority, subject to Permitted Encumbrances, at all times until conveyed to the City as provided in Section 12.1. The City shall not have any right, title or interest in the Equipment or any additions, repairs, replacements, modifications or fixtures thereto except as expressly set forth herein.

Section 8.2 Security Interest. To secure the payment of all of the obligations of the Authority under the Master Resolution, the Authority shall grant to the Bondholders a security interest in the Equipment, the Base Rentals and Additional Rentals payable under Section 6.3(i) of this Lease received by the Authority under this Lease, the Bond Fund and Reserve Fund under the Master Resolution, and all other rights to receive payments in accordance with this Lease. Upon execution of this Lease, the City and the Authority agree that the Authority Representative shall, on its behalf, execute Security Documents and the Master Resolution. The Authority agrees that the Authority Representative shall, on its behalf, execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to the Authority, which the Authority reasonably deems necessary or advisable to establish and maintain the security interest granted under this Section 8.2. The Authority covenants that it will cause title to the Equipment to show on its face that the Bondholders hold a lien on all motorized vehicles constituting part of the Equipment related to the Master Resolution and all supplements thereto, the Lease and all supplements thereto and other instruments as may be required from time to time to be kept, to be required by law in order to preserve and protect fully the security of the Bondholders of the Bonds and the rights of the Authority hereunder, and to take or cause to be taken any and all other action necessary to perfect the security interest created by the Master Resolution.

ARTICLE IX

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 9.1 Maintenance of the Equipment by the City. The City shall, at its own expense from available City Funds, operate, manage, keep and maintain the Equipment in good working order, condition and repair, including replacements of a capital nature when necessary, and including periodic painting as reasonably determined by the Authority and in accordance with all operating and maintenance manuals and all applicable laws, rules, ordinances, orders and regulations as shall be in effect from time to time of (a) any federal, state, City, municipal, or other governmental or quasi-governmental agencies and bodies having or claiming jurisdiction thereof and all their respective departments, bureaus, and officials; (b) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction thereof; and (c) all insurance companies insuring all or any part of the Equipment. The foregoing shall not be construed to prohibit the City from challenging the validity or applicability of such laws, rules, ordinances, orders and regulations and to defer compliance until the challenge has been completed. The City shall, at the City's sole cost and expense, as if the City were the absolute owner thereof, assume all responsibility for the Equipment and pay from available District Funds all costs of any kind associated with the operation, repair and maintenance of the Equipment, whether of a capital nature or otherwise.

Section 9.2 Modification of the Equipment. The City shall have the privilege of modifying the Equipment or making substitutions, additions, modifications and improvements thereto (individually or any combination thereof, a "Modification"), at its own cost and expense, and the Modification shall be subject to this Lease, the Master Resolution and the Security Documents, and shall also be included under the terms hereof and thereof; provided, however, that the Modification shall in no way damage the Equipment or cause it to be used for purposes other than those authorized under the provisions of the Lease, and the Constitution and laws of the State; and provided, however, that the Equipment, as modified pursuant to this Article 9.2 shall have a fair rental value not less than the fair rental value of the Equipment immediately prior to the Modification. The City shall not permit any mechanic's or other lien to be established or remain against the Equipment for labor or materials furnished in connection with any Modification so made by the City; provided, however, that if the City shall first notify the Authority of the intention of the City so to do, the City may in good faith contest any mechanic's or other lien filed or established against the Equipment, and in such event may permit the liens so contested to remain unsatisfied during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, the existence of such liens will materially adversely affect the security afforded pursuant to the terms hereof and pursuant to the Master Resolution and the Security Documents will be materially endangered or the Equipment or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Authority will cooperate fully with the City in any such contest, upon the request and at the expense of the City. Any property for which a substitution or replacement is made pursuant to this

Section 9.2 may be disposed of by the City in any manner and in the sole discretion of the City.

Section 9.3 Taxes, Assessments and Other Governmental Charges. In the event that the Equipment or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body which may be secured by a lien against the Equipment, the City shall pay all such taxes, assessments and governmental charges when due as an Additional Rental, from and to the extent of available City Funds. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the City shall be obligated to provide for Additional Rentals only for such installments as are required to be paid during that period that the City is obligated to pay Base Rentals. The City shall not allow any liens for taxes, assessments or governmental charges to be filed or exist against the Equipment, any interest therein (including the interest of the Authority) or the rentals and revenues derived therefrom or hereunder.

As long as the City is in possession of the Equipment and except as otherwise provided herein, it shall keep it free and clear of all liens, charges and encumbrances (except Permitted Encumbrances and any encumbrances arising through the Authority) and shall have the responsibility for all management, operations, maintenance and repair of the Equipment. The City in its discretion may discharge such responsibility by: (1) using its own employees; or (2) contracting for services; or (3) subleasing of the Equipment, subject to the provisions hereof and of the Master Resolution; or (4) any combination of such methods. No such contract or sublease shall place a greater burden on the Authority than provided herein, nor infringe upon rights granted to or retained by the Authority hereunder, nor violate or in any way impair the Authority's obligations under the Master Resolution or any other instrument, if any, securing any debt or borrowings by the Authority, all or substantially all the proceeds of which are to be used to finance the Equipment. The Authority does not agree to provide anything more than the Equipment as herein defined, and shall have no obligation to incur any expense of any kind or character in connection with the management, operation, or maintenance of the Equipment during the Lease Term.

The City may, at the expense and in the name of the City, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom provided the City shall first deposit with the Authority, or in court, a bond or other security satisfactory to the Authority unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items the security afforded pursuant to the terms hereof and pursuant to the Master Resolution and the Security Documents will be materially endangered or the Equipment or any portion thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid forthwith.

Section 9.4 Provisions Respecting Insurance. The City agrees to insure or cause to be insured the Equipment against loss or damage of the kinds usually insured against by public bodies similarly situated, including, without limitation, policies of

casualty and property damage insurance, by means of policies issued by reputable insurance companies duly qualified to do such business in the State with a uniform standard coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State, in amounts that are not less than full insurable value of the Equipment. The term “full insurable value” as used herein shall mean the actual replacement value, or at the option of the City any lesser amount which is equal to or greater than the amount of all of the Bonds then Outstanding. Alternatively, the City may insure or cause to be insured under a blanket insurance policy or policies or under self-insurance which cover not only the Equipment but other properties in the amounts required by the previous sentence. If a program of self-insurance is used, (a) such program must provide for disbursements therefrom without the approval of the governing body of the City and (b) such program shall be reviewed at least annually by an actuarial consultant, to insure that the reserves established are sufficient for the risks intended to be covered by such program. If self-insurance is not utilized, the policies may have a deductible clause in an amount not to exceed \$250,000.

Any insurance policy issued pursuant to the preceding paragraph of this Section 9.4 shall be so written or endorsed as to make losses, if any, payable to the Authority under the Master Resolution. The Net Proceeds of the insurance required in this Section 9.4 shall be applied as provided in Section 10.2 or, at the option of the City, Section 10.3 of this Lease. The City may settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance only with written approval of the Authority.

Section 9.5 Public Liability Insurance. The City agrees to carry or cause to be carried public liability insurance with one or more reputable insurance companies in minimum amounts of \$1,000,000 for the death of or personal injury to one person and \$250,000 for personal injury or death for each occurrence and \$300,000 for property damage for any occurrence. The Authority shall be made additional insureds under such policies. The insurance required by this Section 9.5 may be by blanket insurance policy or policies or self-insurance meeting the requirements of Section 9.4 hereof. If self-insurance is not utilized, the policies may have a deductible clause in such amount as shall be approved by the Authority.

Section 9.6 Worker’s Compensation Coverage. At all times from the date hereof until the end of the Lease Term, the City shall maintain, or cause to be maintained, worker’s compensation coverage with respect to officers, agents and employees of the City working in, on or about the Equipment, including coverage for occupational diseases.

Section 9.7 Advances. In the event that the City shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Equipment in good repair and operating condition, the Authority may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; which amounts, together with interest thereon at a rate of 18% per annum, the City agrees to pay, from and to the extent of available City Funds.

Section 9.8 Failure to Provide Insurance. In the event the Authority pays for any insurance policies required by this Article, the City will promptly pay directly to the Authority all premiums for said insurance, and until payment is made by the City therefor, the amount of all such premiums which have been paid by the Authority shall bear interest at the per annum rate of 18%. The City shall, upon the Authority's reasonable request, deposit with the Authority in monthly installments an amount equal to one-twelfth of the estimated aggregate annual insurance premiums on all policies of insurance required by this Article. The City further agrees, upon the Authority's request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to the Authority. If at any time and for any reason the funds deposited with the Authority are or will be insufficient to pay such amounts as may then or subsequently be due, the Authority shall notify the City and the City shall immediately deposit an amount equal to such deficiency with the Authority.

Section 9.9 Evidence and Notice Regarding Insurance. Evidence of the insurance required by Sections 9.4 and 9.5 hereof shall be provided by the City to the Authority annually on or before the anniversary date of issuance of the Bonds. Policies providing said insurance shall require that notice of cancellation of any said insurance must be furnished to the Authority and the CIB by the insurance carrier thirty (30) days in advance of cancellation.

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 10.1 Damage, Destruction and Condemnation. If, prior to the termination of the Lease Term and the payment in full of the Bonds (or the making of provisions for the payment thereof in accordance with the Master Resolution) (a) the Equipment or any material portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (b) title to, or the temporary or permanent use of the Equipment or any material portion thereof or the estate of the City or the Authority in the Equipment or any material portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or (c) title to or the use of all or any material portion of the Equipment shall be lost by reason of a defect in title thereto, the City shall be obligated, subject to the provisions of Section 10.3 of this Lease, to continue to pay the amounts specified in Sections 10.2, 6.2 and 6.3 of this Lease regardless of whether the Equipment shall have been accepted.

Section 10.2 Obligation of the City to Repair and Replace the Equipment. Subject to the provisions of Section 10.3 of this Lease, the City shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards with respect to the Equipment to be deposited in a separate trust fund with the Authority. All Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification or improvement of the Equipment by the City upon receipt of a requisition acceptable to the Authority signed by the City Representative, stating with respect to each payment to be made: (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due; (c) the amount to be paid; (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund, and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation; and (e) such other documents and information as the Authority requires. The balance of any such Net Proceeds remaining after such repair, restoration, modification or improvement has been completed shall be transferred to the Bond Fund to be applied to the payment of the principal of, premium, if any, and interest on the Bonds, or if said Bonds shall have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Master Resolution), any balance remaining in such separate trust fund shall be paid to the City. If the Net Proceeds shall be insufficient to pay in full the cost of any repair, restoration, modification or improvement or to redeem all Outstanding Bonds, the City shall, from and to the extent of available City Funds, complete the work and pay any cost in excess of the amount of the Net Proceeds. The City agrees that, if by reason of any such insufficiency of the Net Proceeds, the City shall make any payments pursuant to the provisions of this Section 10.2, the City shall not be entitled to any reimbursement therefor from the Authority or the Bondholders nor shall the City be entitled to any diminution of the Base Rentals and Additional Rentals payable under Sections 6.2 and 6.3 of this Lease. The City further agrees that any repair, restoration, modification or improvement paid for in whole or in

part out of such Net Proceeds shall be subject to the security afforded by the Master Resolution, this Lease and the Security Documents, and shall be included under the terms hereof.

Section 10.3 Discharge of the Obligation of the City to Repair and Replace the Equipment. In the event that the Net Proceeds of any insurance policy, performance bond or condemnation award made available by reason of an occurrence described in Section 10.1 of this Lease shall be insufficient to pay in full the cost of any repair, restoration, or modification of the Equipment required under Section 10.2 of this Lease, then the obligation to repair and replace the Equipment under Section 10.2 of this Lease may, at the option of the City, be discharged by depositing the Net Proceeds of the insurance policies, performance bonds or condemnation awards made available by reason of such occurrence into the Bond Fund. Upon the deposit of such Net Proceeds in the Bond Fund, the City shall have no further obligation for the payment of Base Rentals and Additional Rentals hereunder, and possession of the Equipment as well as all rights created pursuant to this Lease and interest of the City and the Authority therein and in any funds or accounts created under the Master Resolution (except for moneys held for the payment of Bonds not then deemed Outstanding), shall be surrendered to the Bondholder. Thereafter, the Equipment may be liquidated pursuant to the provisions of the Master Resolution and Security Documents and the proceeds of such liquidation and the Net Proceeds of any insurance policy, performance bond or condemnation award so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Master Resolution (except moneys held for the payment of Bonds not then deemed Outstanding), shall be applied to the redemption of the Bonds on the next succeeding redemption date. Such redemption of Bonds shall be made upon full or partial payment of the principal amount of the Bonds then Outstanding and accrued interest thereon all in accordance with the Master Resolution. In the event that available moneys shall be insufficient to redeem said Bonds by payment of an amount equal to the outstanding principal amount thereof and accrued interest to the redemption date, no further claim for payment may be had by the Bondholders against the Authority or the City, as provided in the Master Resolution.

Section 10.4 Cooperation of the Authority. The Authority shall cooperate fully with the City at the expense of the City in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.1 of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Equipment or any portion thereof or any property of the City in connection with which the Equipment is used and will, to the extent it may lawfully do so, and shall permit the City to litigate in any proceeding resulting therefrom in the name and behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding or any part thereof without the written consent of the City Representative.

Section 10.5 Condemnation of Property Owned by the City. The City shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Equipment.

ARTICLE XI

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

Section 11.1 Disclaimer or Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT OR ANY OF THE EQUIPMENT OR FIXTURES THEREIN OR ANY OTHER REPRESENTATION OR WARRANTY. In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or the use by the City of any item, product or service provided for herein.

Section 11.2 Further Assurances and Corrective Instruments. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for the purpose of curing any ambiguity, formal defect or omission herein or so as to more precisely identify the Equipment in order to give effect to the purposes for which this Lease was executed.

Section 11.3 City and Authority Representatives. Whenever under the provisions hereof the approval of the City or the Authority is required, or the City or the Authority is required to take some action at the request of the other, such approval or such request shall be given for the City by the City Representative and for the Authority by the Authority Representative, and any party hereto and the Authority shall be authorized to act on any such approval or request.

Section 11.4 Requirements of Law. During the Lease Term, the City and the Authority shall observe and comply promptly with all current and future laws, ordinances, orders, rules and regulations as the same become effective, of the federal, state, City and City governments and of all courts or other governmental authorities having jurisdiction over the Equipment or any portion thereof and of all their respective departments, bureaus and officials, and of the insurance regulatory agencies having jurisdiction over the Equipment, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Equipment or any portion thereof, whether the same are in force at the commencement of the Lease Term or may in the future be passed, enacted or directed.

Section 11.5 Inspection of the Equipment. The City and the Authority agree that the Bondholders or their duly authorized agents shall have the right at all reasonable times to enter upon the Equipment and to examine and inspect the Equipment. The Authority and its duly authorized agents shall also be permitted, at all reasonable times, to examine the books, records, reports and other papers of the City and the Authority with respect to the Equipment.

Section 11.6 RESERVED.

Section 11.7 Refunding Bonds. Refunding Bonds may be issued by the Authority in accordance with the provisions of Section 3.8 of the Master Resolution.

Section 11.8 Issuance of Additional Bonds. Additional Bonds may be issued by the Authority with prior written consent of the Bondholders in accordance with the provisions of the Master Resolution.

ARTICLE XII

CONVEYANCE OF THE EQUIPMENT

Section 12.1 Conveyance of the Equipment. The Authority's right and interest in and to the Equipment shall be transferred, conveyed and assigned by the Authority to the City:

- (a) Upon payment by the City of the then applicable Purchase Option Price and upon giving not less than thirty (30) days prior written notice to the Authority; or
- (b) Upon payment by the City of all Base Rentals and Additional Rentals required to be paid under this Lease during the Original Term and each of the Renewal Terms; or
- (c) Upon the discharge of the lien of the Master Resolution under Article IX thereof.

The Authority agrees to execute such documents and instruments as shall be necessary to affect a release of the security interest granted by said Master Resolution or the Security Documents upon the payment in full of the Bonds.

Section 12.2 Conveyance on Purchase of Equipment. At the closing of any purchase of the Equipment pursuant to the option to purchase granted in this Lease, the Authority shall, upon receipt of the Purchase Option Price, or upon the payment by the City of all Base Rentals and Additional Rentals required, or upon discharge of the lien of the Master Resolution as the case may be, deliver to the City the following:

- (a) If necessary, a release by the Authority of the lien under the Master Resolution and Security Documents, together with any other instrument necessary or appropriate to release any security interest granted by this Lease with respect to such Equipment, the Master Resolution and Security Documents.
- (b) All necessary documents conveying to the City good and marketable title to the Equipment as it then exists subject to the following: (i) those liens and encumbrances created by the City or to the creation or suffering of which the City consented; (ii) those liens and encumbrances resulting from the failure of the City to perform or observe any of the agreements on its part contained in this Lease; and (iii) Permitted Encumbrances, other than the Master Resolution, this Lease, the Security Documents and any financing statements filed by the Authority pursuant to this Lease with respect to the Equipment or the Master Resolution.

Section 12.3 Relative Position of Option and Master Resolution. The purchase option granted to the City in this Article XII with respect to the Equipment shall be and remain prior and superior to the Master Resolution and the Security Documents and may be exercised whether or not an Event of Nonappropriation or an Event of Default shall

have occurred and be continuing hereunder or under the Master Resolution and the Security Documents; provided, however, that if not exercised earlier, such option must be exercised before the later of (a) ninety (90) days after notification in writing by the Authority to the City of the occurrence of an Event of Default under the Master Resolution, the Lease or the Security Documents, or (b) the ultimate disposition of the Equipment upon exercise of any available foreclosure remedy, and further provided that, as a condition of the exercise of such option, the City must pay, in addition to the Purchase Option Price, any interest payment deficiencies accruing from the date of the Event of Default or Event of Nonappropriation through the date the Purchase Option Price is paid.

ARTICLE XIII

ASSIGNMENT, SUBLEASING INDEMNIFICATION AND SELLING

Section 13.1 The Authority to Grant Security Interest to Bondholder. The parties hereto agree that pursuant to the Master Resolution and the Security Documents, the Authority shall and does hereby pledge and assign to the Bondholders all of the Authority's right, title and interest in this Lease, except the Authority's rights to compensation from the City for expenses of the Authority under Section 6.3(d) of this Lease, the Authority's rights to indemnification from the City under Section 13.3 of this Lease and the obligation of the City to pay any attorneys' fees and expenses incurred by the Authority under Section 14.5 of this Lease.

Section 13.2 Assignment and Subleasing by the City. This Lease may not be assigned by the City for any reason. The City may enter into subleases of all or portions of the Equipment without the necessity of obtaining the consent of the Authority or any Bondholder; subject, however, to each of the following conditions:

- (a) the Equipment may only be subleased to the State of Utah or a political subdivision thereof, including a city, county, district or school district;
- (b) this Lease and the obligations of the City to make payment of Base Rentals and Additional Rentals hereunder shall at all times during the Lease Term remain obligations of the City notwithstanding any sublease;
- (c) the City shall, prior to the execution of a sublease, furnish or cause to be furnished to the Authority a true and complete copy of each sublease;
- (d) in the opinion of Independent Counsel, the sublease will not cause the Equipment, in whole or in part, to be used for a purpose (i) other than a governmental or proprietary public function authorized under the provisions of the Constitution and laws of the State, or (ii) for a purpose which would adversely affect the exclusion of gross income of the interest on the Bonds for federal income tax purposes; and
- (e) any such sublease shall be expressly subordinate to the rights of the Authority and the Bondholders under the Master Resolution, this Lease, and the Security Documents.

The Authority shall be empowered, after an Event of Nonappropriation or an Event of Default and the foreclosure of the security afforded under this Lease, the applicable Master Resolution or the applicable Security Documents with respect to the Equipment, to collect the amount of the Base Rentals and Additional Rentals allocable to any sublease from any and all sublessees, and apply the net amount collected to the Base Rentals and Additional Rentals required herein with respect to the Equipment, but no

such collection shall be deemed a waiver of any agreement, term, covenant or condition hereof, or the acceptance of any sublessee as lessee hereunder.

Section 13.3 Release and Indemnification Covenants. To the extent of the Net Proceeds of the insurance coverage of the City and contractor's performance and payment bonds for the Equipment required hereunder, the City shall and hereby agrees to indemnify and save the Authority harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Equipment during the Lease Term from: (a) any condition of the Equipment, and (b) any act or negligence of the City or of any of its agents, contractors or employees or any violation of law or the breach of any covenant or warranty hereunder. The City shall indemnify and save the Authority harmless, from and to the extent of available moneys as set forth above, from any such claim arising as aforesaid from (a) or (b) above, or in connection with any action or proceeding brought thereon and, upon notice from the Authority, shall defend them or either of them in any action or proceeding.

In exchange for the City's agreement to indemnify the Authority as provided in this Section 13.3, the Authority hereby agrees to assert any cause of action that it might have against any third parties for the benefit of the City. Furthermore, in no event will the Authority voluntarily settle or consent to the settlement of any proceeding arising out of any claim applicable to the Equipment without the written consent of the City Representative.

Section 13.4 References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and all fees and charges of Authority, all references in this Lease to said Bonds shall be ineffective and the Bondholders shall thereafter have no rights hereunder, saving and excepting those that shall have theretofore vested.

Section 13.5 Installation of the Furnishings and Machinery of the City. The City may from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in the Equipment. All such machinery, equipment and other tangible property, except any machinery, equipment and other tangible property substituted for machinery, equipment and tangible property purchased with proceeds of the Bonds as provided in Section 13.6, shall remain the sole property of the City, in which the Authority shall have no interest and may be removed by the City at any time; provided, however, that the City shall be obligated to repair any damage to the Equipment, at its own cost and expense, resulting from any such removal.

Section 13.6 Equipment Purchased with Proceeds of the Bonds. Any item of equipment purchased with such proceeds of the Bonds (the "Equipment") shall be labeled, to the extent practicable, to indicate that it is owned by the Authority, subject to the Master Resolution, the Security Documents and this Lease. No equipment, in whole or a part thereof, may be removed from the Equipment, except as provided herein. Any item of Equipment which shall be determined by the City to be no longer usable in

connection with the Equipment may be sold by the City after written notice to the Authority and upon (a) substitution of equipment of comparable or greater value, or (b) deposit of the proceeds thereof in the Bond Fund. Upon any such sale, the equipment so sold shall be released from the Master Resolution, this Lease, the Security Documents and the security interest created thereunder and hereunder.

ARTICLE XIV

EVENTS OF DEFAULT AND REMEDIES

Section 14.1 Events of Default Defined. Any one of the following shall be an “Event of Default” under this Lease:

(a) Failure by the City to pay any Base Rentals or Additional Rentals required to be paid under Sections 6.2 or 6.3 of this Lease at the time specified therein, in the absence of an Event of Nonappropriation, for a period of five (5) days after written notice, specifying such failure and requesting that it be remedied, given to the City by the Authority or, in any event, a failure by the City to make such payments within fifteen (15) days after the date on which they are due; or

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in (a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to the City by the Authority, unless the Authority shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Authority shall not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(c) The City shall abandon any material portion of the Equipment; or

(d) The City’s interest in this Lease or any part thereof with respect to the Equipment shall be assigned or transferred without the written consent of the Authority, either voluntarily or by operation of law, except as permitted hereunder; or

(e) The City shall file any petition or institute any proceedings wherein or whereby the City seeks to be adjudicated a bankrupt, or to be discharged from any and all of its debts or obligations, or offers to the City’s creditors to effect a composition or extension of time to pay the City’s debts, or seeks a reorganization or a readjustment of the City’s debts, or for any other similar release, or any such petition or any such proceedings of the same or similar kind or character shall be filed, or instituted or taken against the City and the same shall not have been dismissed or otherwise resolved in favor of the City within sixty (60) days from the filing or institution thereof.

Notwithstanding the foregoing provisions, the failure of the City to make the payments of the Base Rentals and Additional Rentals as provided in Sections 6.2 or 6.3 of this Lease shall not be an Event of Default hereunder if such failure is due to the occurrence of an Event of Nonappropriation. In addition, if by reason of Force Majeure,

the City shall be unable, in whole or in part, to carry out any agreement on its part herein contained, other than the obligations on the part of the City contained in Article VI hereof, the City shall not be deemed in default during the continuance of such inability. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its agreements hereunder; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City, and the City shall be not required to settle any strike, lockout and other industrial disturbance in a manner that is, in the judgement of the City, unfavorable to the City.

Section 14.2 Remedies on Default. Whenever any Event of Default referred to in Section 14.1 of this Lease shall have happened and be continuing, the Authority shall have the right, at its option or at the direction of the Bondholders as provided in the Master Resolution without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Immediately reenter and take possession of the Equipment; or
- (b) Take whatever action at law or in equity may appear necessary or desirable to enforce their or its rights in and to the Equipment.

The obligation of the City to vacate the Equipment as provided in Section 6.6 of this Lease shall also apply to an Event of Default. Any amounts collected pursuant to action taken under this Section 14.2 shall be paid into the Bond Fund and applied in accordance with the provisions of the Master Resolution.

Section 14.3 Limitations on Remedies. No judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Nonappropriation under this Lease. In the event the security interest created under the Master Resolution, this Lease, or the Security Documents shall be foreclosed subsequent to the occurrence of an Event of Default or an Event of Nonappropriation, no deficiency judgment may be entered against the City or the Authority.

Section 14.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV.

Section 14.5 Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for the collection of Base Rentals and Additional Rentals, or the enforcement of performance or observance of any

obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party, to the extent that such attorneys' fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the City under this Section 14.5 shall be subject to the availability of City Funds.

Section 14.6 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XV

MISCELLANEOUS

Section 15.1 Lease Term. This Lease shall remain in effect from the date hereof until the termination of the Lease Term as provided in Section 4.2 of this Lease.

Section 15.2 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, Local Building Authority of Wellington City, Utah, P.O. Box 559, Wellington, UT 84542, Attention: Chair; if to the City, Wellington City, P.O. Box 559, Wellington, UT 84542, Attention: Mayor; and if to the Bondholders, to their address as shown on the registration list kept by the Authority. A duplicate copy of each notice, certificate or other communication given hereunder by the Authority or the City shall also be given to the Bondholders. The Authority, the City, and the Bondholders may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 15.3 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns, subject, however, to the limitations contained in Sections 2.1(a), 2.2(b), 2.2(f) and 13.2 of this Lease.

Section 15.4 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof and in the event any provision of this Lease were to invalidate the Bonds, such provision shall be rendered invalid and unenforceable, but shall not invalidate or render unenforceable any other provision hereof.

Section 15.5 Amounts Remaining in Bond Fund and Reserve Fund; Dissolution. It is agreed by the parties hereto that any amounts remaining in the Bond Fund or Reserve Fund upon expiration or sooner termination of the Lease Term, as provided in this Lease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and the fees and expenses of the Authority and any paying agents in accordance with the Master Resolution, shall belong to and be paid to the City by the Authority as an overpayment of Base Rentals and Additional Rentals. Upon dissolution of the Authority, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Master Resolution) and payment in full of other obligations of the Authority, any assets and net earnings of the Authority shall be paid to the City in accordance with the Utah Local Building Authority Act.

Section 15.6 Amendments, Changes and Modifications. Subsequent to the issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Master Resolution), and

except as otherwise herein expressly provided, this Lease may not be effectively amended, changed, modified, altered or terminated except as provided in Article XII of the Master Resolution.

Section 15.7 Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.8 Net Lease. This Lease shall be deemed and construed to be a “net lease,” and the City shall pay absolutely net during the Lease Term the Base Rentals, Additional Rentals and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff, other than those herein expressly provided.

Section 15.9 Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 15.10 Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

Section 15.11 No Personal Liability. No person executing this Lease or any of the Bonds, the Master Resolution or the Security Documents shall be subject to personal liability or accountability by reason of such action or the issuance of the Bonds.

IN WITNESS WHEREOF, the Authority has caused this Lease to be executed in its corporate name with its corporate seal hereunto affixed and attested by a duly authorized officer. The City has executed this Lease in its name with the seal of its City Recorder hereunto affixed and attested by a duly authorized officer. All of the above occurred as of the date first above written.

LOCAL BUILDING AUTHORITY OF
WELLINGTON CITY, UTAH

By: _____
Chair

ATTEST:

By: _____
Secretary

(L B A S E A L)

WELLINGTON CITY, CARBON
COUNTY, UTAH

By: _____
Mayor

ATTEST:

By: _____
City Recorder

(C I T Y S E A L)

STATE OF UTAH)
 :ss.
COUNTY OF CARBON)

In the County of Carbon, State of Utah, on this ____ day of _____, 2020, before me, the undersigned notary, personally appeared Joan Powell and Glenna Nelson, the Chair and the Secretary, respectively, of the Local Building Authority of Wellington City, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

STATE OF UTAH)
 :ss.
COUNTY OF CARBON)

In the County of Carbon, State of Utah, on this ____ day of _____, 2020, before me, the undersigned notary, personally appeared Joan Powell and Glenna Nelson, the Mayor and City Recorder, respectively, of Wellington City, Carbon County, Utah, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary.

Notary signature and seal

EXHIBIT A

BASE RENTAL LEASE PAYMENT SCHEDULE

<u>Payment Date</u>	<u>Base Rentals</u>	<u>Additional Rental Payment for Deposit in Reserve Fund</u>	<u>Total Payment</u>
5/15/2021	-0-	\$2,700.00	\$ 2,700.00
5/15/2022	\$16,180.00	2,700.00	18,880.00
5/15/2023	16,040.00	2,700.00	18,740.00
5/15/2024	15,900.00	2,700.00	18,600.00
5/15/2025	15,760.00	2,700.00	18,460.00
5/15/2026	15,620.00	2,700.00	18,320.00
5/15/2027	15,480.00	-0-	15,480.00
5/15/2028	15,340.00	-0-	15,340.00
5/15/2029	16,200.00	-0-	16,200.00
5/15/2030	16,050.00	-0-	16,050.00
5/15/2031	15,900.00	-0-	15,900.00
5/15/2032	15,750.00	-0-	15,750.00
5/15/2033	15,600.00	-0-	15,600.00
5/15/2034	15,450.00	-0-	15,450.00
5/15/2035	15,300.00	-0-	15,300.00
5/15/2036	15,150.00	-0-	15,150.00

MASTER RESOLUTION
OF THE
LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH
AS ISSUER
DATED AS OF
_____ 1, 2020

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MASTER RESOLUTION

WHEREAS, Wellington City, Carbon County, Utah (the “City”) has previously authorized and directed the creation of the Local Building Authority of Wellington City, Utah (the “Authority”) pursuant to the provisions of a Resolution (the “Creating Resolution”); and

WHEREAS, pursuant to the direction of the City Council of the City (the “City Council”) contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended (the “Nonprofit Corporation Act”) and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and its predecessor Act (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 City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purposes for which the City 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 City and the Authority for the purpose of financing, in part, (i) the acquisition and lease of a fire truck (the “Equipment”), and related improvements for the benefit of the City (the “Project”); and

WHEREAS, the Authority desires to finance the Equipment, in part, through the issuance of its \$218,000 Lease Revenue Bonds, Series 2020 bearing interest at a rate of one percent (1.0%) per annum (the “Series 2020 Bonds”); and

WHEREAS, the Authority has obtained a financing commitment from the State of Utah Permanent Community Impact Fund Board (the “Community Impact Board” or “CIB”) to purchase the Series 2020 Bonds at the above interest rate and also to fund a grant in the amount of \$217,000; and

WHEREAS, pursuant to a Lease Agreement of even date herewith between the Authority and the City (the “Lease”), the City will lease, as lessee, the Equipment from the Authority on an annually renewable basis; and

WHEREAS, under the provisions of a Resolution of the City adopted on September 9, 2020 (the “City Authorizing Resolution”), the City Council of the City 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 Equipment, including the adoption of this Master Resolution (or “Master Resolution”) and the issuance of the Series 2020 Bonds hereunder; and

WHEREAS, pursuant to the provisions of a Resolution adopted on September 9, 2020 (the “Authority Authorizing Resolution”), the Authority 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 Equipment, including the issuance of the Series 2020 Bonds hereunder; and

WHEREAS, it has been determined by the City and the Authority that the estimated amount necessary to finance the Equipment and the necessary expenses incidental thereto, including the cost of issuing the Series 2020 Bonds, will require the issuance, sale and delivery of the Series 2020 Bonds in the total principal amount of \$218,000 bearing interest at a rate of 1.0% per annum, as hereinafter provided; and

WHEREAS, the Authority has determined that the Bonds (as defined herein) 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 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 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 2020 Bonds shall be issued in registered form in substantially the form set forth in Exhibit A-1 attached hereto if issued as State Bonds, and in substantially the form set forth in Exhibit A-2 attached hereto if issued as Exchange Bonds, respectively, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the 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 and premium, if any, and interest, if any, on the Bonds, and to constitute this Master Resolution a valid assignment of (i) the rights of the Authority with respect to the Equipment 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 City with respect to the Equipment have been done and performed and the creation, execution and delivery of this Master

Resolution, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, be it resolved by the Authority Board of the Local Building Authority of Wellington City, Utah, as follows:

ARTICLE I

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.

“Acts” means, collectively, the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and its predecessor Act, and the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended.

“Authority” means the Local Building Authority of Wellington City, Utah.

“Base Rentals” shall have the meaning attributed to it in the Lease.

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

“Bond Fund” means the bond fund established under Section 6.2 herein.

“Bondholder” or “Registered Owner” 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.

“Bond” or “Bonds” means the Series 2020 Bonds of the Authority in the authorized total principal amount of \$218,000, bearing interest at the rate of 1.0% per annum, issued pursuant to Section 2.2 hereof and any Additional Bonds and Refunding Bonds issued pursuant to Sections 3.8 and 3.9, respectively.

“Bond Resolutions” means the Resolutions adopted by the Authority, which include the Parameters Resolution, the Authorizing Resolution and this Master Resolution.

“Chair” means the Chair of the Authority and his/her successors.

“City” means Wellington City, Carbon County, Utah.

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

“Community Impact Board” or “CIB” means the State of Utah Permanent Community Impact Fund Board, or any successor agency.

“Equipment” means the acquisition and lease of a fire truck, and related improvements.

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

“Escrow Agent” means the Treasurer for the State of Utah, or its successors and assigns.

“Escrow Agreement” means the Escrow Agreement by and among the Authority, the Community Impact Board, and the Escrow Agent.

“Escrow Fund” means the escrow fund, and the sub accounts therein, created and administered under the Escrow Agreement by the Escrow Agent.

“Event of Default” means any occurrence or event specified in and defined by Section 10.1 hereof.

“Event of Non-appropriation” shall have the meaning attributed to it in the Lease.

“Exchange Bonds” means the fully registered Series 2020 Bonds issued in substantially the appropriate form set forth in Exhibit A-2, in exchange for the State Bonds representing the Series 2020 Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof.

“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 of 1974, 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 of even date herewith, between the Authority, as lessor, and the City, as lessee, and any amendments and supplements thereto.

“Original Issue Date” means the date on which the Series 2020 Bonds are issued and delivered in exchange for the purchase price thereof.

“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 Sections 3.4, 3.5, 3.8, 3.9, 3.10, and 4.5 hereof; and

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

“Paying Agent” with respect to the Series 2020 Bonds means the Secretary of the Authority, and his/her successors.

“Principal Payment Date” means each June 1 commencing June 1, 2022.

“Project” means the acquisition and lease of a fire truck, and related improvements for the benefit of the City.

“Purchaser” means the Community Impact Board, and its successors.

“Registrar” with respect to the Series 2020 Bonds means the Secretary of the Authority, and his/her successors.

“Reserve Fund Requirement” means, with respect to the Series 2020 Bonds, the annual debt service on the Series 2020 Bonds (i.e., \$16,200), which amount shall be built up, pursuant to the terms of the Lease and this Master Resolution, in six annual installments of approximately \$2,700 beginning on June 1, 2021.

“Secretary” means the Secretary of the Authority, or any successor or deputy secretary.

“Security Documents” means the Security Agreement with respect to the Equipment.

“Series 2020 Bond or Bonds” means the Authority's Lease Revenue Bonds, Series 2020, issued in the aggregate principal amount of \$218,000 bearing interest at a rate of 1.0% per annum on the unpaid principal amount.

“State Bond or “Bonds” means the single fully registered Series 2020 Bond issued in substantially the appropriate form set forth in Exhibit A-1.

ARTICLE II

THE SERIES 2020 BONDS

Section 2.1. Authorized Amount of Bonds. No Series 2020 Bonds may be issued under the provisions of this Master Resolution except in accordance with this Article. The total principal amount of Series 2020 Bonds that may be issued is hereby expressly limited to \$218,000, except as provided in Sections 3.4, 3.5, 3.7, 3.8, 3.9 and 4.5 hereof.

Section 2.2. Issuance of Series 2020 Bonds. For purposes of financing, in part, (i) the acquisition and lease of a fire truck (the “Equipment”), and related improvements for the benefit of the City (the “Project”), and (ii) paying the costs of issuing the Bonds, the Authority hereby authorizes the issuance of its Series 2020 Bonds in the principal amount of \$218,000 bearing interest at a rate of 1.0% per annum. The Series 2020 Bonds shall be designated as, and shall be distinguished from bonds of all other series by the title, the “Local Building Authority of Wellington City, Utah Lease Revenue Bonds, Series 2020”. The Series 2020 Bonds shall be issued (i) in substantially the form set forth in Exhibit A-1, if issued as State Bonds, and (ii) in substantially the form set forth in Exhibit A-2, if issued as Exchange Bonds, in fully registered form, shall bear interest at a rate of 1.0% per annum on the unpaid principal balance and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2020 Bonds shall be in the denomination of \$1,000 or any integral multiple thereof. The Series 2020 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar.

Interest at the rate of 1.0% per annum on the outstanding principal amount of the Series 2020 Bonds shall begin to accrue as of June 1, 2021, and principal shall be payable annually on June 1 of each year, beginning on June 1, 2022.

Principal, together with accrued but unpaid interest, if any, shall be payable annually on June 1 of each of the years and in the amounts set forth as follows:

<u>Payment Date</u>	<u>Amount of</u>
<u>June 1</u>	<u>Principal Payment</u>
2022	\$14,000
2023	14,000
2024	14,000
2025	14,000
2026	14,000
2027	14,000
2028	14,000
2029	15,000
2030	15,000
2031	15,000
2032	15,000
2033	15,000
2034	15,000
2035	15,000
2036	15,000

Except as provided in the next succeeding paragraph, principal payments of the Series 2020 Bonds, whether paid at maturity or prior redemption, shall be payable in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America to the Registered Owner thereof upon presentation and surrender for payment of the Series 2020 Bonds.

So long as the Community Impact Board is the Registered Owner of the Series 2020 Bonds, payments of principal and interest, if any, shall be made by check or draft and mailed to the Community Impact Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. The Series 2020 Bonds shall be initially issued as one fully registered State Bond.

If any annual installment of principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid.

If the Series 2020 Bonds are not issued in the calendar year 2020, then the denomination of the Bonds shall be changed to correspond to the year of issuance.

In the event the bid from the lowest responsible bidder on the Equipment shows that the costs of the Equipment will exceed the amount of grant and loan commitments the Issuer has already obtained, then, as authorized in Section 11-14-302 of the Utah Local Government Bonding Act, the Issuer hereby authorizes the Chair of the Authority and the Fire Chief of Wellington City, as a pricing committee, to approve a final principal

amount and repayment schedule for the Series 2020 Bonds within the parameters set forth in the Notice of Public Hearing and Bonds to Be Issued published once each week for two consecutive weeks with the first publication being at least 14 days before this resolution and also posted on the Utah Public Notice Website at least 14 before this resolution, which parameters are in the aggregate principal amount of not to exceed \$265,000, to bear interest at the rate or rates not to exceed 1.0% per annum, to mature in not more than twenty (20) years from their date or dates, and to be sold at a price not less than 99% of the total principal amount thereof, and all other terms of the Series 2020 Bonds, and to approve and execute all documents related to the issuance of the Series 2020 Bonds. The Secretary is authorized to attest such signatures and apply the Authority seal as appropriate.

ARTICLE III

EXECUTION, AUTHENTICATION, DELIVERY, EXCHANGE AND REGISTRATION OF SERIES 2020 BONDS

Section 3.1. Execution; Limited Obligation. The Series 2020 Bonds shall be executed on behalf of the Authority with the facsimile or manual signature of the Chair of its Authority 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 Authority Board. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any officer, whose signature shall appear on the bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Series 2020 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, and, if paid by the City, the Purchase Option Price under the Lease and other amounts derived from the leasing of the Equipment (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Series 2020 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 Equipment) and shall be a valid claim of the respective Bondholders thereof only against the Bond Fund, the Reserve Fund and other moneys held by the Authority and the Base Rentals, and other amounts derived from the leasing of the Equipment 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 2020 Bonds and shall be used for no other purpose than to pay the principal of, premium, if any, and interest, if any, on the Series 2020 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 2020 Bonds or other costs incident thereto except from the moneys pledged therefore under this Master Resolution. The Series 2020 Bonds shall never constitute an indebtedness of the City within the meaning of any constitutional limitation or statutory provision and shall not constitute or give rise to a pecuniary liability of the City or a charge against the general credit or taxing power of the City. Neither the City, nor the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2020 Bonds or amounts due or to become due under the Lease. The City shall not be obligated to appropriate City Funds (as defined in the Lease) 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 City in the event of an insufficiency of moneys to pay the principal of, premium, if any, interest, if any, on the Series 2020 Bonds. The payment obligations of the City under the Lease are subject to annual renewal and will be terminated upon the occurrence of an Event of Non-appropriation. In such event, all payments from the City under the Lease will terminate, and the Series 2020 Bonds and the interest, if any, 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 Equipment subsequent to foreclosure of the lien of this Master Resolution and the Security Documents. No deficiency judgment subsequent to foreclosure of the lien of this Master Resolution and the Security Documents may be entered against the City 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 City or the Authority or upon the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City under the Lease. The Authority has no taxing powers.

Section 3.2. Delivery of Series 2020 Bonds. Upon the execution and delivery of this Master Resolution, the Authority shall execute and the Secretary of the Authority shall deliver the Series 2020 Bonds to the Community Impact Board as directed by the Authority as provided in this Section 3.2.

Prior to the delivery of the Series 2020 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 Authority Board, and a copy duly certified by the City Recorder of the City of a resolution of the governing body of the City, authorizing the issuance of the Series 2020 Bonds and the execution and delivery of this Master Resolution, the Lease, and the Security Documents; and

(b) Original executed counterparts of the Lease, the Security Documents and this Master Resolution; and

(c) A certificate or other documentation evidencing that the City has insured the Equipment as required by Article IX of the Lease.

Section 3.3. 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 3.4. Exchange of State Bonds to Exchange Bonds. As long as the Community Impact Board is the sole Registered Owner of the Series 2020 Bonds, the Series 2020 Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit A-1. It is recognized that the Community Impact Board may sell or otherwise

transfer the Series 2020 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the Community Impact Board determines to sell or otherwise transfer all or a portion of the Series 2020 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the State Bonds may be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 3.4 hereof and Section 3.5 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.5 hereof. Any Series 2020 Bonds, or any portion thereof, which is sold or otherwise transferred or liquidated by the Community Impact Board pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bonds prescribed in Exhibit A-2, and shall be executed pursuant to authorization contained in Section 3.5 hereof. Each payment on the State Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Authority and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Authority to accomplish the exchange of the State Bonds for Exchange Bonds, provided that the Community Impact Board shall pay or cause to be paid all costs and other charges incident to such exchange and the Authority shall have no obligation to pay any such costs or charges.

Section 3.5. Registration Provisions. The Authority shall cause books for the registration and for the transfer of the Series 2020 Bonds to be kept by the Secretary who is hereby appointed the Registrar of the Issuer with respect to the Series 2020 Bonds. Any Series 2020 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 2020 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. This Master Resolution shall constitute a “system of registration” for all purposes of the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code Annotated 1953, as amended. Upon surrender for transfer of any Series 2020 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 Registered Owner 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 2020 Bonds surrendered for transfer. Series 2020 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2020 Bonds or other authorized denominations and the same series and maturity. The execution by the Authority of any Series 2020 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 2020 Bonds. The Registrar shall not be required to transfer or exchange any Exchange Bond at any time following the mailing of notice calling such Series 2020 Bonds for redemption.

The Series 2020 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 2020 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 Registered Owner 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 Registered Owner requesting exchange or transfer of Series 2020 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.

Section 3.6. 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 thereby, or for replacement or exchange, transfer or partial redemption pursuant to Section 3.4, Section 3.7, or Section 4.5 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 City.

Section 3.7. Temporary Bonds. Bonds may be initially issued in temporary form exchangeable for definitive Bond 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 definitive Bond authenticated and delivered hereunder.

Section 3.8. Issuance of Refunding Bonds. To the extent permitted by law, the Authority may, at the request of the City authorize the issuance of Refunding Bonds upon the terms and conditions provided herein. 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 City 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 City or the Authority in the Lease, the Security Documents or in this Master Resolution unless the issuance of the Refunding Bonds shall cure such default; (2) no Event of Default or Event of Non-appropriation shall have occurred and be continuing under the Lease; (3) the Authority shall have otherwise complied with the provisions of this Section 3.8 with respect to the issuance of such Refunding Bonds; and (4) so long as the Community Impact Board is the owner of any of the Series 2020 Bonds, the Authority shall obtain the written approval of the Community Impact Board prior to issuing Refunding Bonds for the Bonds owned by the Community Impact Board.

Section 3.9. Additional Bonds. No additional Bonds may be issued and no additional liens may be placed on the Equipment without the prior written consent of the Bondholders.

ARTICLE IV

REDEMPTION OF BOND BEFORE MATURITY

Section 4.1. Redemption Dates and Prices.

(a) The Series 2020 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 on delinquent payments, if any, to the date of prepayment or redemption.

(b) The Series 2020 Bonds are also subject to prepayment and redemption in whole on any date, if (i) the Equipment or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Equipment shall become apparent, or title to or the use of all or any material portion of the Equipment 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 Equipment, and (iii) the City elects to discharge its obligation to repair and replace the Equipment by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the City with respect to the Equipment under the Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Equipment thereunder, and possession of the Equipment shall be surrendered to the Authority for the Bondholders. All right, title and interest of the City 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, subject to the limitations set forth in Article X hereof, be foreclosed and the Equipment 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 CITY.

(c) Except as otherwise provided above in Subsection (b), in the event that the Bonds are prepaid, such prepayment will be made at a price equal to 100% of the principal amount of the Bonds to be prepaid plus accrued interest, if any, on delinquent payments to the prepayment date.

Section 4.2. Notice of Redemption.

(a) In the event any of the State Bonds are to be redeemed, the Registrar shall mail notice of such redemption by first class mail, postage prepaid, to all Registered Owners of State 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.

(b) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 4.2. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all registered owners of Exchange 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. Such notice shall state the following information:

- i. the complete official name of the Exchange Bonds, including series, to be redeemed, the identification numbers of the Exchange Bonds being redeemed;
- ii. any other descriptive information needed to identify accurately the Exchange Bonds being redeemed, including, but not limited to, the original issue date of such Exchange Bond;
- iii. in the case of partial redemption of any Exchange Bonds, the respective principal amounts thereof to be redeemed;
- iv. the date of mailing of redemption notices and the redemption date;
- v. the redemption price;
- vi. that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and
- vii. the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(c) Upon the payment of the redemption price of the Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

(d) The Registrar shall not give notice of redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

(e) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to registered owners of Exchange Bond or portions thereof redeemed but who failed to deliver Series 2020 Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the registered owner of such Series 2020 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 2020 Bonds.

(f) In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2020 Bonds, a new Series 2020 Bond in principal amount equal to the unredeemed portion of such Series 2020 Bonds will be issued.

Section 4.3. 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 3.2(c) hereof with respect to any mutilated, lost, stolen or destroyed Bond.

Section 4.4. 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 3.6 hereof.

Section 4.5. Partial Redemption of Bond. Upon surrender of any Exchange Bond for prepayment or redemption in part only, the Authority shall execute and deliver to the Bondholder thereof a new Exchange Bond of the same series and the same maturity, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Exchange Bond surrendered, which new Exchange Bond or Bonds shall be a fully registered Exchange Bond or Bonds.

ARTICLE V

GENERAL COVENANTS

Section 5.1. Payment of Principal and Premium, if any, and Interest, if any. The Authority covenants that it will promptly pay the principal of and premium, if any, and interest, if any, on every Bond issued under this Master Resolution at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof, but solely from the Base Rentals, the Bond Fund, the Reserve Fund and the Purchase Option Price, if paid by the City under the Lease with respect to the Equipment and other amounts derived from the leasing of the Equipment 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 the Lease specified, and nothing in the Bonds or in this Master Resolution shall be construed as pledging any other funds or assets of the Authority of the City. The Authority shall in no event be liable for the payment of the principal of, premium, if any, or any interest, if any, on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Authority except to the extent of the moneys pledged herein or in the Security Documents as security for the Bonds.

Section 5.2. 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 (a) it is duly authorized under its Articles, the Constitution and laws of the State of Utah, including a resolution duly adopted by the City Council, to issue the Series 2020 Bonds authorized hereby, to execute this Master Resolution, to assign the Lease and pledge the Base Rentals, the Bond Fund, the Reserve Fund, the Purchase Option Price and other amounts hereby pledged in the manner and to the extent herein set forth, (b) that all action on its part for the issuance of the Series 2020 Bonds and the execution and delivery of the Lease and Security Documents and this Master Resolution has been duly and effectively taken, and (c) that the Series 2020 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 5.3. Ownership; Instruments of Further Assurance. The Authority covenants that it will own the Equipment and any property becoming a part of the Equipment 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 Equipment 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 City 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 Equipment, the Base Rentals, Purchase Option Price and other amounts pledged hereby to the payment of the principal of and premium, if any, and interest, if any, on the Series 2020 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 Equipment 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 therefore, subject to Permitted Encumbrances.

Section 5.4. Recording and Filing. The Authority covenants that it will cause title to the Equipment to show on its face that the Bondholders hold a lien on all motorized vehicles constituting part of the Equipment related to this Master Resolution and all supplements thereto and other instruments as may be required from time to time to be kept, to be recorded and filed in such manner and in such places as may from time to time be required by law in order to preserve and protect fully the security of the Bondholders of the Bonds and the rights of the Authority hereunder, and to take or cause to be taken any and all other action necessary to perfect the security interest created by this Master Resolution, including entering into the Security Documents and by filing with the Division of Motor Vehicles, as applicable.

Section 5.5. Inspection of Equipment Books. All books and records of the Authority wherever located relating to the Equipment and the Base Rentals, the Additional Rentals, Purchase Option Price and other amounts derived from the Equipment 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 5.6. List of Bondholders. The Authority shall keep a list of names and addresses of the Bondholders of all 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 City or by Bondholders (or a designated representative thereof) of 25% or more in aggregate principal amount of the Bonds then Outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Authority

Section 5.7. Rights Under Lease and the Security Documents. The Lease and the Security Documents set forth the covenants and obligations of the Authority and the City. Reference is hereby made to the same for a detailed statement of said covenants and obligations of the Authority and the City thereunder, and the Authority may enforce all rights of the Authority and all obligations of the City 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 5.8. Designation of the Secretary as Bond Registrar and Paying Agent and Designation of Any Additional Paying Agents. The Secretary is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Series 2020

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 2020 Bonds as shall be presented when due at the principal office of the Paying Agent.

Section 5.9. Filing of Records. So long as any Series 2020 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 Equipment. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the Equipment and all properties constituting the Equipment. 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 Equipment, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the Community Impact Board is the registered owner of the State Bond, each such audit will be supplied to the Community Impact Board as soon as completed without prior request therefor by the Community Impact Board. Each such audit, in addition to whatever matters 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 Equipment 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 Community Impact Board 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 5.9.

ARTICLE VI

REVENUES AND FUNDS

Section 6.1. Source of Payment of Bond. The Series 2020 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 Equipment under the Lease and as provided herein.

The Equipment 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 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. Such Base Rentals and Purchase Option Price are hereby pledged to such payment.

Section 6.2. 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 Wellington City, Utah Bond Fund”, which shall be used to pay the principal of and premium, if any, and interest, if any, on the Series 2020 Bonds. All funds deposited in the Bond Fund, including investment earnings thereon, are hereby pledged to the payment of the principal of, premium, if any, and any interest on the Series 2020 Bonds.

Section 6.3. 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 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 or any amount in the Reserve Fund directed to be paid into the Bond Fund in accordance with the provisions of this Master Resolution; (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 Equipment 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 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, if any, on the Bond 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 Non-appropriation under the Lease with the result that the right of possession of the Equipment 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 Equipment so that at all times

sufficient rents and other amounts will be derived from the Equipment promptly to meet and pay the principal of and premium, if any, and interest, if any, on the Bonds as the same become due and payable, as well as to cover the cost of all Additional Rentals with respect to the Equipment required under the Lease. Nothing herein shall be construed as requiring the Authority to operate the Equipment or to use any funds or revenues from any source other than the rents and other amounts derived from the Equipment.

Section 6.4. 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, if any, on 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 subaccounts 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 6.5. Custody of Bond Fund. The Bond Fund shall be in the custody of the Authority, and the Authority shall withdraw sufficient funds from the Bonds Fund to pay the principal of and premium, if any, and interest, if any, on the Bonds as the same become due and payable, and to utilize the moneys in the Bond Fund as provided in this Master Resolution.

Section 6.6. Creation of Reserve Fund. There is hereby created and established with the Authority a trust fund in the name of the Authority to be designated "Local Building Authority of Wellington City, Utah Series 2020 Reserve Fund" which shall be expended in accordance with the provisions of this Master Resolution. All funds deposited in the Reserve Fund, including investment earnings thereon, are hereby pledged to the payment of the principal of, premium, if any, and any interest, if any, on the Series 2020 Bonds

Section 6.7. Deposit to and Use of Moneys in the Reserve Fund. Beginning June 1, 2021, and on each June 1 thereafter until the Reserve Fund is fully funded, there shall be deposited into the Reserve Fund, from Additional Rentals received by the Authority, the amount of \$2,700 per year for six years, until there is on deposit in the Reserve Fund, the sum of the Reserve Fund Requirement for the Series 2020 Bonds. The Authority shall maintain subaccounts within the Reserve Fund in order to properly utilize all moneys deposited therein for their intended purposes. Any moneys held in the Reserve Fund shall be invested and reinvested by the Authority in Investment Obligations. Moneys held in the Reserve Fund shall be applied as follows:

(a) If within five (5) Business Days of any Principal Payment Date the moneys held in the Bond Fund are insufficient to pay all interest, if any, and principal then becoming due, the Authority shall transfer, on or before such date, moneys from the Reserve Fund to the Bond Fund to the extent that the amount of money so transferred plus all moneys then held in the Bond Fund shall be sufficient to pay all interest, if any, premium, if any, and principal payments then

becoming due and payable on such date (such moneys to be used for the payment of principal, premium, if any, or interest, if any, on the Bond); and

(b) In the event that the City shall exercise its option to purchase the Equipment and terminate its payment obligations under the Lease upon payment of the Purchase Option Price, the Authority shall transfer all moneys held in the Reserve Fund to the Bond Fund.

In the event moneys are drawn from the Reserve Fund to pay principal and/or interest, if any, on the Series 2020 Bond such that there shall be remaining in said fund an amount less than the Reserve Fund Requirement, the Authority shall replenish the Reserve Fund to the Reserve Fund Requirement upon the deposit of Additional Rentals to be paid by the City pursuant to Section 6.2 of the Lease.

On each July 1 any moneys held in the Reserve Fund in excess of the Reserve Fund Requirement shall be immediately transferred to the Bond Fund. To the extent so paid, such excess shall reduce the amount of the succeeding Base Rental otherwise payable under the Lease.

Section 6.8. Deposit of Series 2020 Bonds Proceeds; Escrow Fund; Disbursements. The proceeds from the sale of the Series 2020 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 Equipment including the payment of costs of issuance of the Series 2020 Bonds. Any unexpended balance from proceeds of the Series 2020 Bonds remaining in the Escrow Account after acquisition of the Equipment shall be deposited in the Bond Fund and used to redeem the Series 2020 Bonds as provided in this Master Resolution. Proceeds from the sale of the Series 2020 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 6.9. Nonpresentment of Bond. In the event that any Bond 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 6.10. Repayment to the City from Bond Fund or Reserve Fund. Any amounts remaining in the Bond Fund or the Reserve Fund after payment in full of the principal of and premium, if any, and interest, if any, on the Series 2020 Bonds and all

other amounts required to be paid hereunder shall be paid immediately to the City as an overpayment of Base Rentals or Additional Rentals, as appropriate.

Section 6.11. 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. The Authority shall establish and maintain separate sub accounts within such trust fund in order to properly account for and apply all moneys deposited therein for their intended purposes. If the City directs that the Net Proceeds be applied to redeem the Bonds pursuant to Section 10.3 of the Lease, the Authority covenants and agrees to transfer such funds to the Bond Fund and to redeem the Bonds as provided in this Master Resolution.

ARTICLE VII

INVESTMENT OF MONEYS

Section 7.1. Authority to Invest Funds. Any moneys held as part of the Bond Fund, the Reserve Fund or any other fund shall be invested and reinvested by the Authority in Investment Obligations in accordance with the provisions hereof and Section 7.5 of the Lease. The Reserve Fund is to be invested in Investment Obligations with maturities of less than twelve months. 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, if any, on the Series 2020 Bonds when due.

Section 7.2. 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 VII

RIGHTS OF THE CITY

Section 8.1. Subordination of Lease to Master Resolution; Certain Rights to City. As provided in Section 12.1 of the Lease, the Lease and the City's interest in the Equipment and its interest as lessee under the Lease, shall at all times be subject to the lien of this Master Resolution; provided, however, that so long as no Event of Default hereunder or an Event of Non-appropriation has occurred and is then continuing, the Lease shall remain in full force and effect notwithstanding such subordination, and the City shall not be disturbed by the Authority or the Bondholders in their possession, use and enjoyment of the Equipment or portions thereof during the term of the Lease or in the enjoyment of the Lease. This Master Resolution and the rights and privileges hereunder of the holders of the Bond are specifically made subject and subordinate to the rights and privileges of the City set forth in Section 12.1 of the Lease to exercise their option to purchase the Equipment in the event of, and subsequent to, the occurrence of an Event of Default, but prior to the liquidation of the Equipment; provided, however, that as a condition of the exercise of such option, the City must pay, in addition to the Purchase Option Price, any interest payment deficiencies accruing from the date of the Event of Default or Event of Non-appropriation. The Authority agrees that it shall execute and deliver any instrument necessary or appropriate at any time to confirm evidence or enable the City to enjoy such rights and privileges, including without limitation, those referred to in Section 8.2 hereof and under the Subordination Agreement.

Section 8.2. Release of Equipment Forming a Part of the Equipment. Reference is made to the provisions of the Lease, whereby the City may withdraw certain items of equipment forming a part of the Equipment upon substitution of other property of comparable or greater value, or upon deposit into the appropriate sub account of the Bond Fund of the sale proceeds from the sale of the Equipment so removed, all in accordance with the terms and conditions of the Lease.

ARTICLE IX

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, if any, due or to become due on the 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 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 City any and all the 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 and the Reserve Fund required to be paid to the City under Section 6.10 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, if any, on the Bonds.

Any Bond 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, if any, 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 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 IV 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 IV hereof, that the deposit required by (ii) above has been made with the Authority and that said Bond is deemed to have been paid in accordance with this Article IX, 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 IX 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 IX which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

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 IX 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 X

DEFAULT PROVISIONS AND REMEDIES

Section 10.1. 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, if any, on any Bond;
- (b) Failure to pay when due the principal of, or premium, if any, on any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, 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 Bonds contained and failure to remedy the same after notice thereof pursuant to Section 10.13 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 City;
- (e) The Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder;
- (f) The Authority (1) is adjudged insolvent by a court of competent jurisdiction, (2) admits in writing its inability to pay its debts generally as they become due, (3) files a petition in bankruptcy, (4) makes an assignment for the benefit of creditors, or (5) consents to the appointment of a receiver of itself or property with respect to the Equipment;
- (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 Equipment, 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 Equipment 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, or shall discontinue construction of any substantial part of the Equipment.

Section 10.2. 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 delivered to the Authority, declare the principal of all Bonds then Outstanding and the interest, if any, accrued thereon immediately due and payable, and such principal and interest, if any, shall thereupon become and be immediately due and payable. With respect to the Series 2020 Bonds, such amounts of principal and interest, if any, payable thereon shall bear interest from the date of acceleration, as herein provided, until paid at the rate of eighteen percent (18%) per annum, unless otherwise waived in whole or in part by the Bondholder.

Upon any sale made either under the power of sale given in this Article X 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 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 Resolution, no deficiency judgment upon foreclosure of the lien of this Master Resolution or of the Security Documents against the Equipment may be entered against the City 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 City or the Authority or upon the general credit or taxing powers of the City. Additionally, no judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Non-appropriation under the Lease.

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

Section 10.3. Surrender of Possession of Equipment; 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 Equipment 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 Equipment 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 Equipment 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 Equipment 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 Equipment, 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 improvement, and apply the remainder of the moneys so received in accordance with the provisions of Section 10.8 hereof. Whenever all that is due upon the 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 City, at their addresses set forth in the registration book required by Section 5.6 hereof, a summarized statement of income and expenditures in connection therewith.

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

Section 10.4. 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, if any, on the 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 any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 10.5. Right of Bondholders to Direct Proceedings. The Bondholders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right at any time 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 10.6. 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 Bonds then Outstanding shall be entitled to the appointment of a receiver or receivers of the Equipment 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 10.7. 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 appraisal, valuation, stay, extension or redemption laws now 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 10.8. 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 Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

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

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

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest, if any, then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, if any, 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 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 X then, subject to the provisions of Section 10.8(b) of this Master Resolution in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 10.8(a) of this Master Resolution.

Whenever moneys are to be applied pursuant to the provisions of this Section, 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 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, if any, on all Bonds has been paid under the provisions of this Section 10.8 and all expenses and charges of the Authority have been paid any balance remaining in the Bond Fund shall be paid to the City as provided in Section 6.10 of this Master Resolution as overpayment of Base Rentals.

Section 10.9. Remedies Vested. All rights of action under this Master Resolution or under any of the Bonds may be enforced by or on behalf of the Bondholders without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted for or by the Bondholders shall be brought for the equal and ratable benefit of the Bondholders of the Outstanding Bond.

Section 10.10. Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of 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 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, if any, on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the Bonds issued hereunder to the respective Bondholders thereof at the time, place, from the source and in the manner in the Bonds expressed.

Section 10.11. 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 such proceedings had been taken.

Section 10.12. Waivers of Events of Default. Any Event of Default under this Master Resolution and its consequences may be waived and any acceleration of the Bonds may be rescinded, but only with the consent of the holders of 100% in aggregate principal amount of the Bonds then Outstanding; 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 any interest on any Bond unless, prior to such waiver or rescission, all arrears of principal and interest payments with interest thereon at a rate equal to eighteen percent (18%) per annum and all expenses of the Bondholders in connection with such Event of Default shall have been paid or provided for. 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 10.13. Notice of Events of Default under Section 10.1(c); Opportunity of the Authority and the City to Cure Such Events of Default. Anything herein to the contrary notwithstanding, no default under Section 10.1(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 City by the Bondholders of not less than 25% in aggregate principal amount of all Bonds Outstanding, and the Authority and the City shall have had thirty (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 corrective action is instituted by the Authority and the City 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 City under the provisions of this Section 10.13, the Authority hereby grants the City full authority for account of the Authority to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.

Section 10.14. Cooperation of Authority. 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 Equipment 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 the Bondholders, shall use its best efforts to secure a purchaser or another lessee of the Equipment so that at all times sufficient rents and other amounts will be derived from the Equipment promptly to meet and pay the principal of an premium, if any, and interest on

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

ARTICLE XI

SUPPLEMENTAL RESOLUTIONS

Section 11.1. 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 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 in accordance with this Master Resolution and the Lease; provided, however, that so long as the CIB is the owner of the Series 2020 Bonds, the Authority must obtain its prior written approval for the issuance of Refunding Bonds, as well as Additional Bonds; and

(g) To make any other change that does not materially adversely affect the rights of any Bondholder.

Section 11.2. Supplemental Resolutions Requiring Consent of Bondholders.

Exclusive of supplemental resolutions covered by Section 11.1 hereof and subject to the terms and provisions contained in this Section 11.2, and not otherwise, the Bondholders of not less than 51% in aggregate principal amount of the 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 11.2 or in Section 11.1 hereof contained shall permit, or be construed as permitting, (i) an extension of the maturity of the principal of, or the interest, if any, on, any Bond issued hereunder, or (ii) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, if any, or (iv) a reduction in the aggregate principal amount of the Bond 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 and the Lease on the Equipment any part thereof (except in connection with the issuance of Refunding Bonds or Additional Bonds), or (vi) the deprivation with respect to the Bondholder of any Bond then Outstanding of the lien hereby created on the Equipment, without the prior consent of the Bondholders of 100% of the 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 11.2, 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 Bond shown by the list of Bondholders required by the terms of Section 5.6 hereof. Such notice shall (a) briefly set forth the nature of the proposed supplemental resolution, (b) state that copies thereof are on file at the principal office of the Authority for inspection by all Bondholders and (c) set forth the manner in which Bondholders are to give or withhold their consent to the proposed supplemental resolution. If the Bondholders of not less than 51% in aggregate principal amount of the Bonds 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 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the 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 XI 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 Equipment shall have occurred and be continuing under the Lease, a supplemental resolution under this Article shall not become effective unless and until the City 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 City at least fifteen (15) days prior to the proposed date of adoption of any such supplemental resolution. The City 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 City on or before the fifteenth day after the mailing of such notice.

ARTICLE XII

AMENDMENT OF LEASE

Section 12.1. Amendments, etc. to Lease Not Requiring Consent of Bondholders. The Authority and the City shall without the consent of or notice to the Bondholders consent to any amendment, change or modification of the Lease (to the extent applicable) as may be required (i) by the provisions of this Master Resolution and the Lease (including those provisions applicable to the issuance of Refunding Bonds and Additional Bonds), (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with any amendment to this Master Resolution pursuant to Section 11.1 hereof, or (iv) in connection with any other change therein which, in the judgment of the Authority, is not to the prejudice of the Bondholders.

Section 12.2. Amendments, etc. to the Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.1 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 Bond at the time Outstanding given as in this Section 12.2 provided. If at any time the Authority and the City 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 11.2 of this Master Resolution with respect to supplemental resolutions. Such notice shall (a) briefly set forth the nature of such proposed amendment, change or modification, (b) state that copies of the instrument embodying the same are on file at the office of the Authority for inspection by all Bondholders and (c) set forth the manner in which Bondholders are to give or withhold their consent to the proposed amendment, change or modification of the Lease. No such amendment, change or modification of the Lease shall alter the requirement that Bondholders of at least 51% in aggregate principal amount then Outstanding consent to any such amendment, change or modification of the Lease, or reduce or postpone payments required to be made under the Lease without the consent of all of the Bondholders of the Bonds then Outstanding. Approval or consent shall be evidenced in a manner acceptable to the Authority.

ARTICLE XIII

MISCELLANEOUS

Section 13.1. 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 of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the 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 Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same, shall be proved by the registration books of the Authority pursuant to Section 3.6 of this Master Resolution.

Section 13.2. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Resolution, the Security Documents or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the holders of the 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 13.3. 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 13.4. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram addressed as follows: if to the Authority, the Local Building Authority of Wellington City, Utah, P.O. Box 559, Wellington, UT 84542, Attention: Chair; if to the City, P.O. Box 559, Wellington, UT 84542, Attention: Mayor; if to the Utah Permanent Community Impact Fund Board, 1385 South State Street, 4th Floor, Salt Lake City, Utah 84115, Attention: Fund Manager. A duplicate copy of each notice required to be given hereunder to either

the Authority or the City shall also be given to the others. The Authority, the City and the Bondholders may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.5. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest, if any, on or principal of the Bonds 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, if any, need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 13.6. Applicable Provisions of Law. This Master Resolution shall be governed by and construed in accordance with the laws of the State of Utah.

Section 13.7. Rules of Interpretation. Unless expressly indicated 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”, “hereinbefore”, “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 13.8. 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.

ADOPTED as of this _____ 1, 2020.

LOCAL BUILDING AUTHORITY OF
WELLINGTON CITY, UTAH

By: _____
Chair

Attest:

By: _____
Secretary

(L B A S E A L)

EXHIBIT A-1

(FORM OF STATE BONDS)

UNITED STATES OF AMERICA

LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH

LEASE REVENUE BOND

SERIES 2020

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.

Principal Sum	Interest Rate	Original Issue Date
\$218,000	1.0%	_____, 2020

The Local Building Authority of Wellington City, 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 State of Utah acting through the Permanent Community Impact Fund Board (the "Community Impact Board") or the registered assigns last named on the Registration Certificate attached hereto (the "Registered Owner"), the Principal Sum specified above, bearing interest at a rate of one percent (1.0%) per annum (calculated on the basis of a year of 360 days comprised of twelve 30-day months), which interest shall begin to accrue on June 1, 2021, and shall be payable annually on June 1 of each year, beginning on June 1, 2022, except as hereinafter set forth with respect to prepayment of this Bond. Principal, together with accrued but unpaid interest, if any, shall be payable in registered installments annually on June 1 of each year beginning June 1, 2022, except as hereinafter set forth with respect to prepayment of this Bond, as set forth in the following Repayment Schedule:

Payment Date	Amount of
<u>June 1</u>	<u>Principal Payment</u>
2022	\$14,000
2023	14,000
2024	14,000
2025	14,000
2026	14,000
2027	14,000
2028	14,000
2029	15,000
2030	15,000
2031	15,000
2032	15,000
2033	15,000
2034	15,000
2035	15,000
2036	15,000

Except as provided in the next succeeding paragraph, principal payments of this Bond, whether paid at maturity or prior redemption, shall be payable, in lawful money of the United States of America, at the office of the Secretary of the Authority or his/her successor (the "Paying Agent") in Wellington, Utah, by check or in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America, to the Registered Owner hereof upon the presentation and surrender of this Bond for payment.

As long as the State of Utah Permanent Community Impact Fund Board is the registered holder of this Bond, installment payments of principal shall be made by check or draft mailed to the State of Utah Permanent Community Impact Fund Board as the registered holder at the address shown on the registration books maintained by the Registrar.

This Bond represents an issue of the Local Building Authority of Wellington City, Utah Lease Revenue Bonds, Series 2020 (the "Series 2020 Bonds") issued For purposes of financing, in part, (i) the acquisition and lease of a fire truck (the "Equipment"), and related improvements for the benefit of the City (the "Project"), and (ii) paying the costs of issuing the Bonds.

The Equipment has been leased by the Authority to Wellington City, Carbon County, Utah, a body politic of the State of Utah (the "City"), under the terms of an annually renewable Lease Agreement dated as of _____ 1, 2020 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Lease"). Under the Lease, the City has agreed to pay annual rental payments to the

Authority (the “Base Rentals”) in consideration of its right to use the Equipment and for the option to purchase granted therein. In addition to the Base Rentals, the City 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 Equipment expressly required under the Lease. Under the Lease, the City has been granted an option to purchase the Equipment and terminate its payment obligations with respect to the Equipment 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, if any, and interest, if any, on the Series 2020 Bonds 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 CITY AND THE CITY IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE EQUIPMENT.

If any installment of principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid.

This Bond is issued under and secured by and entitled to the protection of the Master Resolution dated as of _____ 1, 2020, approved on September 9, 2020 by the Authority (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the “Master Resolution”, and collectively the “Bond Resolutions”), duly adopted by the Authority and pursuant to which all Base Rentals payable by the City under the Lease and, if paid by the City, the Purchase Option Price, and are assigned to secure the payment of principal of, premium, if any, and interest, if any, on the Bond. Additionally, the Authority has granted a security interest in the Equipment to the holder of this Bond, pursuant to a leasehold deed of trust, assignment of rents and security agreement, as defined in the Master Resolution (the “Security Documents”), to further secure its obligations hereunder.

The obligation of the City to pay Base Rentals and Additional Rentals with respect to the Equipment is subject to the annual renewal of the Lease and to the right of the City to terminate its payment obligations with respect to the Equipment 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 City's payment obligations under the Lease shall be terminated by reason of a failure to appropriate (referred to herein as an “Event of Non-appropriation”) or by reason of an Event of Default (as defined in the Lease) the principal amount of this Bond 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 Equipment including a foreclosure of the lien of the Security Documents. Under certain circumstances, this Bond may also be payable from the proceeds of title or casualty insurance policies, performance bonds of contractors for the Equipment, condemnation awards and liquidation proceeds with respect to the Equipment.

The Master Resolution provides that the Authority may hereafter issue Refunding Bonds (the "Refunding Bonds") or Additional Bonds (the "Additional Bonds") from time to time under certain terms and conditions contained therein and in the Lease and, if issued, the Refunding Bonds and/or the Additional Bonds will rank on parity 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 Bonds and the Additional Bonds are referred to herein as the "Bonds"). 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 City, the Authority and the holders of the Bonds, the issuance of Refunding Bonds or Additional Bonds, the terms upon which the Bonds are issued and secured, the terms and conditions upon which the Bonds will be deemed to have been paid, at or prior to maturity or redemption of the Bonds, and the rights of the holders of the Bonds upon the occurrence of an Event of Default or an Event of Non-appropriation.

The Series 2020 Bonds constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2020 Bonds and the income from the investment thereof, the proceeds of certain funds held by the Authority, the proceeds of certain insurance policies, performance bonds and condemnation awards or the proceeds, if any, from a liquidation or other disposition of the Equipment subsequent to foreclosure of the lien of the Master Resolution and the Security Documents, the Series 2020 Bonds are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the City under the Lease. Payments under the Lease may be made only from City Funds (as defined in the Lease) which are budgeted and appropriated by the City for such purpose.

Neither the Lease, nor the Series 2020 Bonds, nor any interest thereon shall constitute or give rise to a general obligation indebtedness of the City, or a charge against the City or the general credit or taxing power of the City. Neither the City nor the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2020 Bonds, or amounts due or to become due under the Lease. The Authority has no taxing power.

THE CITY IS NOT OBLIGATED TO APPROPRIATE CITY FUNDS FOR THE PURPOSE OF PAYING BASE RENTALS, ADDITIONAL RENTALS OR THE PURCHASE OPTION PRICE UNDER THE LEASE, AND NO JUDGMENT MAY BE ENTERED AGAINST THE CITY IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THE SERIES 2020 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE CITY'S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NON-APPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE AND THE SERIES 2020 BONDS 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 EQUIPMENT 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 2020 BONDS OR ANY INTEREST THEREON.

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

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

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

This 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. Except as otherwise provided in the following paragraph, in the event that this Bond is prepaid, such prepayment will be made at a price equal to 100% of the principal amount of the Bonds to be prepaid, plus accrued interest on delinquent payments to the prepayment date.

Notice of redemption shall be mailed by the Authority, postage prepaid, at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for prepayment, to the Registered Owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Authority. Any notice of redemption mailed as provided herein and in the Master Resolution shall be conclusively presumed to have been given. Failure to receive 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 Bond is also subject to prepayment and redemption in whole on any date, if (i) the Equipment or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Equipment shall become apparent, or title to or the use of all or any material portion of the Equipment 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 Equipment, and (iii) the City elects to discharge its obligation to repair and replace the Equipment by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the City with respect to the Equipment under the Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Equipment thereunder, and possession of the Equipment shall be surrendered to the Authority for the Bondholders. All right, title and interest of the City and the Authority in any funds or accounts created under the Master Resolution (other than amounts held for the payment of principal of the Bonds not then deemed Outstanding) shall be held by the Authority and applied to the prepayment or redemption of the Bonds at the earliest date practicable. Thereafter, the Security Documents may, subject to the limitations set forth in Article X of the Master Resolution, be foreclosed and the Equipment liquidated and the Net Proceeds of such liquidation and of any insurance policy, performance bond or condemnation award so deposited in the Bonds 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 Series 2020 Bonds not then deemed Outstanding), shall be applied to the prepayment or redemption of the Bonds as the Authority may determine at the earliest date practicable. Such prepayment or redemption of the Bonds shall be made upon payment of the principal amount of the Bonds then Outstanding plus accrued interest, if any, thereon, all in accordance with the Master Resolution. In the event that the amount available to prepay the Series 2020 Bonds under this paragraph following a liquidation of the Equipment is less than the amount required to pay the Series 2020 Bonds in full to the prepayment date, the Series 2020 Bonds shall be redeemed in whole and the amount available applied as provided in the Master Resolution. IN THE EVENT THIS BOND IS 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 THIS BOND AGAINST THE AUTHORITY OR THE CITY.

This 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, and its predecessor Act (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 2020 Bonds. As required by the Articles of Incorporation of the Authority, the

City Council 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 Registered Owner of this 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 Non-appropriation 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 2020 Bonds at any time by the Authority with the consent of the County (if an Event of Non-appropriation 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 2020 Bonds then Outstanding. The Master Resolution also permits waiver of compliance by the Authority with any terms of the Master Resolution, except payment defaults with respect to the principal of or interest on any Outstanding Bond unless certain conditions are met, with the consent of the holders of not less than 100% in aggregate principal amount of the Series 2020 Bonds then Outstanding. Any such waiver or consent by the Registered Owner of this Bond shall be conclusive and binding upon such Owner and upon all future holders of this Bond 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 Bond.

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 2020 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 2020 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 Bond to be executed in its name by the facsimile or manual signature of the Chair of its Authority 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 Authority Board and its corporate seal to be hereunto impressed or imprinted hereon, and these 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
WELLINGTON CITY, UTAH

By: _____ (DO NOT SIGN)
Chair

Attest:

By: _____ (DO NOT SIGN)
Secretary

(L B A S E A L)

REGISTRATION CERTIFICATE

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

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT A-2

(FORM OF EXCHANGE BOND)

UNITED STATES OF AMERICA

LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH

LEASE REVENUE BOND

SERIES 2020

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.

INTEREST RATE	MATURITY DATE	ISSUE DATE
1.0%	June 1, 20__	_____, 20__

Registered Owner: _____

Principal Amount: _____

The Local Building Authority of Wellington City, 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 named above, or registered assigns, on the Maturity Date specified above, the Principal Sum specified above, and in like manner to pay interest thereon accruing from June 1, 20__, at the Interest Rate specified above (calculated on the basis of a 360-day year of twelve thirty-day months), payable on June 1 of each year (each an "Interest Payment Date") commencing June 1, 2022, except as the provisions hereinafter set forth with respect to prepayment of this Bond may become applicable hereto, the principal of this Bond being payable on June 1, 20__ in lawful money of the United States of America at the office of the Secretary of the Authority or his/her successor (the "Paying Agent") in Wellington, Carbon County, Utah.

This Bond represents an issue of Bonds of like date, term, interest rate and effect except as to maturity, in the aggregate principal amount of Two Hundred Eighteen Thousand Dollars (\$218,000) issued in exchange for the conversion of the Issuer's Lease Revenue Bonds, Series 2020 dated _____, 2020 (the "Series 2020 Bonds"), in the total principal amount of \$218,000, authorized by a Master Resolution of the Issuer dated as of _____ 1, 2020, as authorized on by a resolution adopted on August 12, 2020

and September 9, 2020, respectively (collectively the “Bond Resolutions”). This Bond and the issue of Series 2020 Bonds of which it is a part is issued pursuant to (i) the Master Resolution and (ii) the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, for the purpose of financing, in part, (i) the acquisition and lease of a fire truck (the “Equipment”), and related improvements for the benefit of the City (the “Project”), and (ii) paying the costs of issuing the Bonds. The Equipment has been leased by the Authority to Wellington City, Carbon County, Utah, a body politic of the State of Utah (the “City”), under the terms of an annually renewable Lease Agreement dated as of _____ 1, 2020 (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the “Lease”). Under the Lease, the City has agreed to pay annual rental payments to the Authority (the “Base Rentals”) in consideration of its right to use the Equipment and for the option to purchase granted therein. In addition to the Base Rentals, the City has agreed to pay certain other payments (the “Additional Rentals”) sufficient to pay administrative costs of the Authority, the required deposit to the Reserve Fund under the Master Resolution, certain insurance premiums, taxes, and other expenses with respect to the Equipment expressly required under the Lease. Under the Lease, the City has been granted an option to purchase the Equipment and terminate its payment obligations with respect to the Equipment 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, if any, and interest, if any, on the Series 2020 Bonds 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 CITY AND THE CITY IS UNDER NO OBLIGATION TO EXERCISE ITS OPTION TO PURCHASE THE EQUIPMENT.

If any installment of principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid.

This Bond is issued under and secured by and entitled to the protection of the Master Resolution dated as of _____ 1, 2020, 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 City under the Lease and, if paid by the City, the Purchase Option Price are assigned to secure the payment of principal of, premium, if any, and interest, if any, on the Series 2020 Bonds. Additionally, the Authority has granted a security interest in the Equipment to the holder of this Bond, pursuant to a security agreement, as defined in the Master Resolution (the “Security Documents”), to further secure its obligations hereunder.

The obligation of the City to pay Base Rentals and Additional Rentals with respect to the Equipment is subject to the annual renewal of the Lease and to the right of the City to terminate its payment obligations with respect to the Equipment 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 City's payment obligations under the Lease shall be terminated by reason of a failure to appropriate (referred to herein as an "Event of Non-appropriation") or by reason of an Event of Default (as defined in the Lease) the principal amount of this Bond 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 Equipment including a foreclosure of the lien of the Security Documents. Under certain circumstances, this Bond may also be payable from the proceeds of title or casualty insurance policies, performance bonds of contractors for the Equipment, condemnation awards and liquidation proceeds with respect to the Equipment.

The Master Resolution provides that the Authority may hereafter issue Refunding Bonds (the "Refunding Bonds") or Additional Bonds (the "Additional Bonds") from time to time under certain terms and conditions contained therein and in the Lease and, if issued, the Refunding Bonds and/or the Additional Bonds will rank *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 Bonds are referred to herein as the "Bonds"). 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 City, the Authority and the holders of the Series 2020 Bonds, the issuance of Refunding Bonds or Additional Bonds, the terms upon which the Series 2020 Bonds are issued and secured, the terms and conditions upon which the Series 2020 Bonds will be deemed to have been paid, at or prior to maturity or redemption of the Series 2020 Bonds, and the rights of the holders of the Series 2020 Bonds upon the occurrence of an Event of Default or an Event of Non-appropriation.

The Series 2020 Bonds constitute special, limited obligations of the Authority. Except to the extent payable from the proceeds of the Series 2020 Bonds and the income from the investment thereof, the proceeds of certain funds held by the Authority, the proceeds of certain insurance policies, performance bonds and condemnation awards or the proceeds, if any, from a liquidation or other disposition of the Equipment subsequent to foreclosure of the lien of the Master Resolution and the Security Documents, the Series 2020 Bonds are payable solely from Base Rentals, and, if paid, the Purchase Option Price paid by the City under the Lease. Payments under the Lease may be made only from City Funds (as defined in the Lease) which are budgeted and appropriated by the City for such purpose.

Neither the Lease nor the Series 2020 Bonds shall constitute or give rise to a general obligation indebtedness of the City, or a charge against the City or the general credit or taxing power of the City. Neither the City nor the Authority on its behalf, has pledged the credit of the City to the payment of the Series 2020 Bonds or amounts due or to become due under the Lease. The Authority has no taxing power.

THE CITY IS NOT OBLIGATED TO APPROPRIATE CITY FUNDS FOR THE PURPOSE OF PAYING BASE RENTALS, ADDITIONAL RENTALS OR THE PURCHASE OPTION PRICE UNDER THE LEASE, AND NO JUDGMENT MAY BE ENTERED AGAINST THE CITY IN THE EVENT OF AN INSUFFICIENCY OF MONEYS TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THE SERIES 2020 BONDS. THE LEASE IS SUBJECT TO ANNUAL RENEWAL AND THE CITY'S PAYMENT OBLIGATIONS UNDER THE LEASE WILL BE TERMINATED UPON THE OCCURRENCE OF AN EVENT OF NONAPPROPRIATION. IN SUCH EVENT, ALL PAYMENTS FROM THE CITY UNDER THE LEASE WILL TERMINATE AND THE SERIES 2020 BONDS 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 SERIES 2020 BONDS NOT THEN DEEMED OUTSTANDING) AND ANY MONEYS MADE AVAILABLE FROM A LIQUIDATION OR OTHER DISPOSITION OF THE EQUIPMENT SUBSEQUENT TO FORECLOSURE OF THE LIEN OF THE MASTER RESOLUTION AND THE SECURITY DOCUMENTS. UPON THE OCCURRENCE OF AN EVENT OF NON-APPROPRIATION OR AN EVENT OF DEFAULT UNDER THE LEASE, THERE IS NO GUARANTY OR ASSURANCE OF ANY PAYMENT OF THE SERIES 2020 BONDS OR THE INTEREST THEREON.

No deficiency judgment may be entered against the City 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 City or the Authority or the general credit or taxing powers of the City. No judgment requiring a payment of money may be entered against the City by reason of an Event of Default or an Event of Non-appropriation under the Lease.

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

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

This 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 set forth in

the Master Resolution, 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.

The Series 2020 Bonds, including this Bond, are also subject to prepayment and redemption in whole on any date, if (i) the Equipment or a material portion thereof is damaged or destroyed or taken in a condemnation proceeding, or a material defect in the construction of the Equipment shall become apparent, or title to or the use of all or any material portion of the Equipment 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 Equipment, and (iii) the City elects to discharge its obligation to repair and replace the Equipment by depositing such Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds into the Bond Fund, payment obligations of the City with respect to the Equipment under the Lease shall terminate and the City shall have no further obligation for the payment of Base Rentals and Additional Rentals with respect to the Equipment thereunder, and possession of the Equipment shall be surrendered to the Authority for the Bondholders. All right, title and interest of the City 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, subject to the limitations set forth in Article X of the Master Resolution, be foreclosed and the Equipment 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 THIS SERIES 2020 BOND IS 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 THIS BOND AGAINST THE AUTHORITY OR THE CITY.

If called for prepayment at any time pursuant to the provisions above, this 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 Bond under the paragraph immediately above, following a liquidation of all of the Equipment, is less than the amount required to pay the principal of this Bond to the prepayment date, this Bond shall be redeemed in whole and the amount available therefor applied as provided in 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, if any.

In the event this 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, at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for prepayment, to the Registered Owner of this 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 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, 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 2020 Bonds. As required by the Articles of Incorporation of the Authority, the City Council 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 Registered Owner of this 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 Non-appropriation 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 2020 Bonds at any time by the Authority with the consent of the City (if an Event of Non-appropriation 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 2020 Bonds at the time Outstanding. The Master Resolution also permits waiver of compliance by the Authority with any terms of the Master Resolution, except payment defaults with respect to the principal of or interest on any Outstanding Bond unless certain conditions are met, with the consent of the holders of not less than 100% in aggregate principal amount of the Series 2020 Bonds at the time Outstanding. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such Owner and upon all future holders of this Bond 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 Bond.

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 Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this 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 Bond to be executed in its name by the facsimile or manual signature of the Chair of its Authority 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 Authority 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
WELLINGTON CITY, UTAH

By: _____ (DO NOT SIGN)
Chair

Attest:

By: _____ (DO NOT SIGN)
Secretary

(L B A S E A L)

ASSIGNMENT

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

(Tax Identification or Social Security No. _____) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

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

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY AGREEMENT

GENERAL SECURITY AGREEMENT is entered into as of _____ 1, 2020 between the LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH (“Issuer”) and the STATE OF UTAH PERMANENT COMMUNITY IMPACT FUND BOARD (the “Secured Party”), as follows:

Grant of Security Interest: For value received, and to secure Issuer’s full and timely compliance with the terms and conditions of that certain \$218,000 Lease Revenue Bonds, Series 2020 issued by the Issuer (the “Series 2020 Bonds”) evidencing a loan from the Secured Party to the Issuer in that amount in connection with the purchase by the Issuer of the Equipment, including a fire truck and related improvements, which was executed in compliance with the provisions of the agreements between the Issuer and the State of Utah Permanent Community Impact Fund Board (the “Contract”), Issuer hereby grants to Secured Party a security interest in and to all of the Issuer’s proceeds of the Series 2020 Bonds, including the fire truck and related improvements (the “Collateral”).

The Issuer warrants, covenants, and agrees as follows:

(1) **Title**. Except for the security interest granted by this Agreement, Issuer has full right to the Collateral, including any license granted pursuant to the Collateral, free from any lien, security interest, encumbrance, or claim, and Issuer will, at Issuer's cost and expense, defend any action that may affect Secured Party's security interest in, or Issuer's title, to the Collateral.

(2) **Sale, Lease, or Disposition of Collateral**. Issuer will not without the written consent of the Secured Party, sell, contract to sell, lease, encumber, or dispose or attempt to dispose of the Collateral or any interest in it until this Security Agreement and all debts secured by it have been fully satisfied.

(3) **Security Interest in Proceeds and Accessions**. Issuer grants to Secured Party a security interest in and to all proceeds, increases, substitutions, replacements, additions, and accessions to the Collateral. This provision shall not be construed to mean that Issuer is authorized to sell, transfer, or dispose of the Collateral without the consent of Secured Party.

(5) **Reimbursement of Expenses**. At the option of Secured Party, Secured Party may discharge, perform or cause to be performed for and on behalf of Issuer any actions and conditions, obligations, or covenants that Issuer has failed or refused to perform. Secured Party may pay for the fees, maintenance, and preservation of the Collateral. All sums so expended, including but not limited to, reasonable attorneys' fees, court costs, or commissions, or any other costs or expenses, shall bear interest from the date of payment at the annual rate of eighteen percent (18%).

(6) **Payment.** Issuer will pay the Series 2020 Bonds secured by this Security Agreement, any renewal or extension of it, and any other indebtedness secured by this Agreement in accordance with the terms and provisions of the indebtedness. In addition, Issuer will repay immediately all sums expended by Secured Party in accordance with the terms and provisions of this Security Agreement.

(8) **Attorney in Fact.** Issuer appoints Secured Party as Issuer's attorney in fact to do any and every act that Issuer is obligated by this Security Agreement to do, and to exercise all rights of Issuer in the Collateral. Secured Party may make collections, execute any and all papers and instruments, and do all other things necessary to preserve and protect the Collateral and to make collections and to protect Secured Party's security interest in the Collateral.

(9) **Time of Performance and Waiver.** In performing any act under this Security Agreement and the Series 2020 Bonds secured by it, time shall be of the essence. Secured Party's acceptance of partial or delinquent payments, or the failure of Secured Party to exercise any right or remedy, shall not be a waiver of any obligation of Issuer or right of Secured Party. Nor shall it constitute a waiver of any other similar default that occurs later.

(10) **Default.** If Issuer shall be in default under this Security Agreement on the occurrence of any of the following events or conditions: (a) default in the payment or performance of the Series 2020 Bonds, a default under the Contract or any other documents ancillary thereto executed by Issuer and Secured Party this date or any other obligation secured by this Security Agreement; (b) any warranty, representation, or statement made or furnished to Secured Party by or on behalf of Issuer proves to have been false in any material respect when made or furnished; (c) any event that results in the acceleration of the maturity of the indebtedness of Issuer to others under any security agreement, indenture or undertaking; (d) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure, or attachment of or on the Collateral; or (e) Issuer's insolvency, the appointment of a receiver for any part of the Collateral, any assignment for the benefit of creditors, or the commencement of any proceedings under any bankruptcy or insolvency law by or against the Issuer or any guarantor or surety for the Issuer.

(11) **Remedies.** On the occurrence of any event of default, and at any later time, Secured Party may declare all obligations secured due and payable immediately and may proceed to enforce payment and exercise any and all of the rights and remedies provided it by the Uniform Commercial Code as well as other rights and remedies either at law or in equity possessed by the Secured Party and permitted by the State of Utah in regards to the Collateral. In addition, the Secured Party may foreclose upon the Collateral and sell said Collateral at a public or private sale without the need for judicial foreclosure. Nothing contained in this Security Agreement shall preclude Secured Party from participating and bidding at any foreclosure sale.

(12) **Miscellaneous Provisions.** This Security Agreement shall be construed under and in accordance with the Uniform Commercial Code and other applicable laws of the State of Utah.

This Security Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, legal representatives, successors, and assigns as permitted by this Security Agreement.

In case any one or more of the provisions contained in this Security Agreement shall for any reason shall be held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision of this Security Agreement and this Security Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

This Security Agreement shall be read and construed in conjunction with the Master Resolution of the Issuer dated as of _____ 1, 2020 under which the Series 2020 Bonds will be issued and the Lease Agreement dated as of _____ 1, 2020 between the Issuer and Wellington City, Carbon County, Utah.

All terms used in this Security Agreement that are defined by the Uniform Commercial Code and the Utah Division of Motor Vehicles shall have the same meaning in this Security Agreement as in the Code.

DATED the day and year first above-written.

**Signed, Sealed and Delivered
in the Presence of:**

ISSUER:

Secretary

Chair

[LBA SEAL]

**SECURED PARTY: STATE OF UTAH
PERMANENT COMMUNITY IMPACT
FUND BOARD**

Fund Manager

4846-3174-6243, v. 1

**LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH
BOND AUTHORIZING RESOLUTION**

September 9, 2020

RESOLUTION NO. 2020-017

A RESOLUTION OF THE LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH, AUTHORIZING AND APPROVING AN ANNUALLY RENEWABLE LEASE AGREEMENT, BETWEEN THE AUTHORITY AND WELLINGTON CITY, CARBON COUNTY, UTAH; AUTHORIZING THE AUTHORITY'S \$218,000 LEASE REVENUE BONDS, SERIES 2020 FOR THE LEASE OF A FIRE TRUCK, AND RELATED IMPROVEMENTS; AUTHORIZING A MASTER RESOLUTION, AND THE SECURITY DOCUMENTS AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, Wellington City, Carbon County, Utah (the "City"), has previously authorized and directed the creation of the Local Building Authority of Wellington City, Utah (the "Authority"), pursuant to the provisions of a Resolution (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council of the City (the "City Council") contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended (the "Nonprofit Corporation Act") and the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended, and its predecessor Act (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 costs on behalf of the City in accordance with the procedures and subject to the limitations of the Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, the City and the Authority desire to finance, in part, the acquisition and lease of a fire truck (the "Equipment"), and related improvements for the benefit of the City (the "Project"); and

WHEREAS, the Authority (or "Issuer") now desires to finance such Project through the issuance of its \$218,000 Lease Revenue Bonds, Series 2020 (the "Series 2020 Bonds"); and

WHEREAS, pursuant to a Lease Agreement, between the Authority and the City (the “Lease”), the City will lease, as lessee, the Equipment from the Authority on an annually renewable basis; and

WHEREAS, the plans, specifications and estimated costs of the acquisition and equipping of the Equipment including a certificate of the Fire Chief of the City for the Equipment setting forth the estimated useful life of the Equipment have been submitted to the City and approved by its City Council; and

WHEREAS, the Authority will issue its Series 2020 Bonds in the total principal amount of \$218,000 bearing interest at the rate of one percent (1.0%) per annum pursuant to a Master Resolution (the “Master Resolution”, and collectively with this resolution and the parameters resolution, the “Bond Resolutions”); and

WHEREAS, the Community Impact Board has approved a grant in the amount of \$217,000 for the Equipment; and

WHEREAS, the Authority proposes to secure its payment obligations under the Series 2020 Bonds by executing a Security Agreement with respect to the Equipment (the “Security Documents”) for the benefit of the holders of the Series 2020 Bonds; and

WHEREAS, the Series 2020 Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the Equipment to the City on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the City or constitute a charge against its general credit or taxing powers; and

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

WHEREAS, the Authority has negotiated the purchase of the Series 2020 Bonds with the State of Utah Permanent Community Impact Fund Board (the “Purchaser”); and

WHEREAS, under the Articles, the Authority may not exercise any of its powers without prior authorization by the governing body of the City and, therefore, it is necessary that the City Council authorize certain actions by the Authority in connection with the transactions contemplated by the Lease, the Bond Resolutions, the Series 2020 Bonds and the Security Documents; and

WHEREAS, the City Council, by its Resolution dated September 9, 2020 (the “City Authorizing Resolution”), has authorized, approved and directed the execution of the Lease by the City and has authorized the issuance of the Series 2020 Bonds and financing the Lease of the Equipment by the Authority and has further authorized the execution of the Lease, the Bond Resolutions, and the Security Documents, and certain other acts to be taken by the Authority in connection therewith:

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

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution, the City Authorizing Resolution or the Creating Resolution) by the Authority Board and by the officers of the Authority directed toward the issuance of the Series 2020 Bonds and the financing of the acquisition of the Equipment are hereby ratified, approved and confirmed.

Section 2. The Authority Board hereby authorizes, approves and directs the financing of the Equipment by the Authority with all or substantially all of the proceeds of the Series 2020 Bonds in accordance with the provisions of the Bond Resolutions, the leasing of the Equipment to the City by the Authority in the manner provided in the Lease and the delivery of the Security Documents by the Authority.

Section 3. The Lease to be dated the first of the month in which the Series 2020 Bonds are issued in substantially the form presented to this meeting and attached hereto as Exhibit A, is in all respects approved, authorized and confirmed and the Chair of the Authority is hereby 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 to be dated the first of the month in which the Series 2020 Bonds are issued in substantially the form presented to this meeting and attached hereto as Exhibit B, is in all respects authorized, approved and confirmed. The Chair 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. If the cost of the Equipment is higher than expected, a Pricing Committee consisting of the Chair of the Authority and the Fire Chief of Wellington City is authorized to finalize the Master Resolution as long as the maximum amount, interest rate, maturity, and discount are within the maximum amounts in the notice of public hearing and bonds to be issued authorized on August 12, 2020.

Section 5. For the purpose of providing funds to finance the Equipment, and to pay certain costs of issuance and for such other purposes as may be authorized under the Bond Resolutions, the Authority shall issue the Series 2020 Bonds in the total principal amount of \$218,000 bearing interest at the rate of one percent (1.0%) per annum, which shall be designated the "Local Building Authority of Wellington City, Utah Lease Revenue Bonds, Series 2020."

Section 6. The Authority hereby authorizes the issuance of the Series 2020 Bonds in the total aggregate principal amount of \$218,000. The Series 2020 Bonds shall be dated as of their delivery date, and, except as otherwise provided in the Master Resolution, the Series 2020 Bonds shall bear interest at the rate of one percent (1.0%) per annum. Interest on the Series 2020 Bonds shall begin to accrue as of June 1, 2021. Principal and interest, if any, on the Series 2020 Bonds shall be payable in annual

installments on June 1 of each year, commencing June 1, 2022, in accordance with the Master Resolution.

The form, terms and provisions of the Series 2020 Bonds 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 2020 Bonds shall mature prior to the expiration of the estimated useful life of the Equipment. The Chair of the Authority is hereby authorized to execute the Series 2020 Bonds, and to deliver the Series 2020 Bonds to the Purchaser. The Secretary of the Authority Board is authorized to attest to the signature of the Chair, to place the seal of the Authority on the Series 2020 Bonds and to authenticate the Series 2020 Bonds. The signatures of the Chair and of the Secretary of the Authority Board may be by facsimile or manual execution.

If the Series 2020 Bonds are not issued in the calendar year 2020, then the denomination of the Bonds shall be changed to correspond to the year of issuance.

Section 7. The appropriate officials of the Authority are hereby authorized to execute and deliver the Security Documents to be dated the first of the month in which the Series 2020 Bonds are issued in substantially the form and with substantially the same content as set forth in Exhibit C, 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 and are authorized to take all action necessary in conformity with the Act and the Articles to finance the Equipment and to lease the Equipment to the City 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 2020 Bonds.

Section 9. The appropriate officials of the Authority are authorized to make any alterations, changes or additions to the Lease, the Bond Resolutions, and the Security Documents herein authorized and approved 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 City Resolution, the Creating Resolution or any resolution adopted by the City or the Authority, or the provisions of the laws of the State of Utah or the United States. Execution of said documents shall conclusively establish approval of such changes.

Section 10. 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 11. 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 Bond Resolutions, the Security Documents, the Series 2020 Bonds, and any other documents authorized, necessary or proper pursuant to this

Resolution or any resolution of the City 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 12. In consideration of the purchase of the Series 2020 Bonds by the holders thereof from time to time, the obligations and undertakings of the City 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 2020 Bonds and the City 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 2020 Bonds or the City until the Series 2020 Bonds are deemed to have been discharged in accordance with the terms and provisions of the Bond Resolutions and the Security Documents.

Section 13. Upon their issuance, the Series 2020 Bonds will constitute regular limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2020 Bonds and the Bond Resolutions. No provision of this resolution or of the Lease, the Bond Resolutions, the Security Documents, the Series 2020 Bonds, or any other instrument, shall be construed as creating a general obligation of the City, or as incurring or creating a charge upon the general credit of the City or its taxing powers. As specified by the City in the City Resolution, the City 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 to the Series 2020 Bonds, 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 City on any annual renewal date thereof in accordance with the provisions of such Lease. The Authority has no taxing powers.

Section 14. After any of the Series 2020 Bonds are delivered to the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Series 2020 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Bond Resolutions and the Security Documents.

Section 15. In accordance with the provisions of the Utah Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated, 1953, as amended, the Secretary caused a "Notice of Public Hearing and Bonds to be Issued" to be published two times in a newspaper having general circulation in the Authority and City and posted on the Utah Public Notice Website and posted in the city offices, and caused a copy of a form of this Bond Resolution to be kept on file in the office of the Secretary of the Authority for public examination during regular business hours.

Section 16. The Issuer held a public hearing on September 9, 2020, regarding the issuance of the Series 2020 Bonds and the economic impact on the private sector of the improvements to be financed with the Series 2020 Bonds.

Section 17. 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 18. This Resolution shall become effective immediately upon adoption by the Authority Board.

ADOPTED AND APPROVED BY THE AUTHORITY BOARD OF THE
LOCAL BUILDING AUTHORITY OF WELLINGTON CITY, UTAH, THIS
September 9, 2020.

Chair

ATTEST:

Secretary

(L B A S E A L)

RECORD OF PROCEEDINGS

The Authority Board of the Local Building Authority of Wellington City, Utah (the “Board”) met in public session at its regular meeting place located at 150 W. Main, Wellington, Utah, on September 9, 2020, at the hour of 6:00 p.m. (the “Meeting”), or as soon thereafter as feasible, with the following members of the Board being present:

	Chair
Glen Wells	Member
Rory Bradley	Member
Paula Noyes	Member
Derk Bradley	Member
Bethany Perea	Member

Also present:

Glenna Nelson	Secretary
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Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and after other matters were discussed, the foregoing resolution (the “Resolution”) was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by Board member _____ and seconded by Board Member _____, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Those voting NAY:

Those Abstaining:

Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF AUTHORITY SECRETARY

I, Glenna Nelson, the duly appointed and qualified Secretary of the Local Building Authority of Wellington City, Utah (the “Authority”), do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the Authority Board at a public meeting duly held on September 9, 2020 (the “Meeting”). The Meeting was called and noticed as required by law as is evidenced by the attached Meeting Notice and Certificate of Compliance with Open Meeting Law. The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on September 9, 2020, and is officially of record in my possession.

I further certify that I caused the “Notice of Public Hearing and Bonds to be Issued” to be (1) published once each week for two consecutive weeks in a newspaper of general circulation in the Authority with the first publication being not less than 14 days prior to the public hearing, (2) posted on the Utah Public Notice Website not less than 14 days before the public hearing, and (3) posted in the office of the Authority for public examination.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Authority, this September 9, 2020.

Secretary

(L B A S E A L)

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Glenna Nelson, the undersigned Secretary of the Local Building Authority of Wellington City, Utah (the “Authority”) do hereby certify, according to the records of the Authority in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the September 9, 2020, public meeting held by the Authority (the “Meeting”) as follows:

(a) By causing a “Meeting Notice,” in the form attached, to be posted at the principal office of the Authority at least 24 hours prior to the convening of the Meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the geographic jurisdiction of the Authority at least 24 hours prior to the convening of the Meeting;

(c) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least 24 hours prior to the convening of the Meeting; and

(d) By causing notice of the Meeting to be personally provided to each and every member of the Authority Board at least 24 hours prior to the convening of the Meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this September 9, 2020.

Secretary

(L B A S E A L)

(Attach Meeting Notice and proof of posting thereof on the Utah Public Notice Website)

EXHIBIT A

LEASE AGREEMENT

(See Transcript Document No. __)

EXHIBIT B

BOND RESOLUTIONS

(See Transcript Document Nos. __, __ and __)

EXHIBIT C

SECURITY DOCUMENTS

(See Transcript Document No. __)

4814-7769-5171, v. 1



WELLINGTON CITY PUBLIC NOTICE

Notice is hereby given that a vacancy has occurred in the Wellington City Council. A vacancy in a council office is filled by appointment of the city council. The appointment is until January following the next municipal election (16-month term). This vacancy will be filled during the regular City Council Meeting scheduled for Wednesday, September 9, 2020 at 6:00 p.m. in the Wellington City Hall located at 150 East Main, Wellington, Utah.

Anyone interested in applying for the position of councilmember must complete and submit the application for appointment as councilmember to the city recorder during regular business hours (9:00 AM to 5:00PM) beginning on August 24, 2020 at 9:00 AM and ending on August 28, 2020 at 5:00PM. The person appointed to fill the vacancy must meet the qualifications for office and be a registered voter residing within the municipality.

Dated this 14th day of August 2020

Glenna Nelson
City Recorder

Locations of Notice on Wednesday August 14, 2020: Posted at the Wellington City Post Office, Wellington Utah; Wellington City Hall, Wellington, Utah; The Utah Public Meeting Notice Website; Published in ETV 10 News on Wednesday August 19, 2020 and August 26, 2020.

WELLINGTON CITY ORDINANCE 2020-03

AN ORDINANCE ESTABLISHING THE PROCEDURE FOR FILLING AND TERMINATING EMPLOYEES APPOINTED BY WELLINGTON CITY

WHEREAS, the City Council has been discussing the procedure for filling and termination of certain City employees who are necessary to the functioning of the City; and

WHEREAS, stability as to these employees is necessary concerning the functioning of City business; and

WHEREAS, it is in the best interest of Wellington City and its residents to ensure proper functioning of City government.

NOW THEREFORE, BE IT ORDANED, by the City Council of Wellington City, Utah as follows:

1. This Ordinance is made and determined to establish a procedure for filling and terminating the following positions:
 - a. City Recorder
 - b. City Treasurer
 - c. Police Chief
 - d. Fire Chief
 - e. City Attorney
 - f. Judge for Wellington Justice Court
2. The Wellington City Council does hereby endorse, ratify, and confirm the employment of the individuals presently holding the positions referenced in paragraph 1
3. Henceforth, when a vacancy occurs in any of these positions, the City will properly advertise for applicants to fill the vacated position. After receiving applications, the City will conduct interviews of applicants. Said interviews will be conducted by a panel of individuals determined by the City Council including, but not limited to, the Mayor and otherwise constituted as agreed upon by the City Council.

Said procedure will be performed according to applicable Utah law.

4. Said panel will reach an agreement as to the appropriate candidate to fill the vacated position. That person's name will be submitted to the City Council for consideration. If approved by a majority vote of the city Council, that person will be hired. If the panel is not able to reach a consensus, the panel will nominate at least 2 individuals for consideration by the City Council. The person receiving the majority vote of the City Council will be offered the position.

If neither applicant receives a majority vote, the panel will conduct further interviews of initial applicants and any applicants in addition to the initial applicants. Again, if the panel is not in agreement as to the appropriate candidate, the panel will submit 2 names to the City Council for consideration and review.

Ultimately, the successful applicant must receive a majority vote from the City Council.

5. The position will be filled by the individual receiving a majority vote of the then constituted City Council in a meeting where a quorum is present.
6. In the event the Mayor believes any person occupying any of the positions indicated herein should be terminated, the Mayor must bring the issue before the full City Council. The individual will be terminated only upon a majority vote of the full City Council and not just a quorum.

SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect on September 3 , 2020 on day after Legal Notice has been published in a matter that complies with Utah State Code.

PASSED AND ADOPTED by the Wellington City Council at a regularly scheduled City Council meeting held on the 26th day of August 2020.

Voting:

Bethany Perea	Yea ___ Nay ___
Rory Bradley	Yea ___ Nay ___
Derk Bradley	Yea ___ Nay ___
Glen Wells	Yea ___ Nay ___
Paula Noyes	Yea ___ Nay ___

By _____
Mayor

ATTEST:

Glenna Nelson, City Recorder



Planning and Zoning Meeting Staff Report

Date of Meeting: September 2, 2020
Name of Project/Business: Collections Processing
Name of Applicant: Jamie Cripps
Agenda Item: Home Occupation
Location of Item: 850 W Highway 6
Zoning Designation: RC
Parcel Number: [1B-0077-0047](#)
Item #:

Background:

Jamie Cripps looking to work independently as a collection agent.

Land Use Summary

- Lot Size: .88 Acres
- [RC](#)

Analysis:

- **Access:** N/A no patrons would visit home.
- **Utilities:** Property Owner has established water and sewer connections.
- **Fire Hydrant:** Location should have an established Fire Hydrant Access
- **Fire Inspection:** N/A
- **Engineering/Road:** N/A
- **Plat/Survey Review:** N/A

Findings:

This business is classified as a service-oriented business and would fall under a Home Occupation. Business owner would be subject to the requirements of 12-5-5 of the Wellington City Code.

**Planning and Zoning Commission Meeting Staff Report for
City Council Supplemental Information**

**Agenda Item – Exempt Home Occupation License for Jamie Cripps – at 850 W Highway 6
Zoned RC**

Review of Planning and Zoning Decision

The City Recorder presented the proposed home occupation on behalf of Jamie Cripps. Cripps plans to run a collections service business out of her home. Businesses that contract with Cripps would not visit the property.

Commissioner Cha moved to provide Jamie Cripps with a favorable recommendation to move forward to City Council with the application for an exempt home occupation license at 850 W Highway 6 to operate a collection agency. Commissioner Willson seconded the motion, and all commissioners present approved the recommendation.

Possible Actions:

1. **Recommendation of Approval:** This action may be taken if the City Council feels the proposal complies with the requirements of the Land Use Code and General Plan.
 - a. List accepted findings
 - b. Place standards as needed

2. **Table:** This action may be taken if the City Council feels that there are unresolved issues.
 - a. List accepted findings
 - b. Reasons of tabling
 - i. Unresolved issues that must be addressed
 - c. Date when the item will be heard again

3. **Recommendation of Denial:** This action may be taken if the City Council feels that the request does not meet the intent of the Land Use Code and General Plan.
 - a. List accepted findings
 - b. Reasons for denial



BUSINESS LICENSE APPLICATION – FOR MEETING PURPOSES

- () New Business (✓) Home Business
- () Conditional Use () License Renewal

Business Name Jamie Cripps

Business Address 850 W Highway 6

Mailing Address PO Box 526 Wellington, UT 84542

Business Phone 435-650-4768

Nature of Business Collections

Are you legally authorized for employment in the United States of America? Yes

Please describe required uniform for employee None

Is any service/item provided sexually oriented? No

Owner(s) Name Jamie Cripps

*Form amended from original application to protect applicant's personal information.

**All Business Licenses EXPIRE ON DECEMBER 31st of the Year Issued!
No Refund of license fees after issuance of business license.**

Application Fee: \$15.00 Date Paid 8/19/2020

New Business License Fee (Upon Approval): \$50.00 Date Paid _____

New Business Inspection Fee (Building & Fire): \$50.00 Date Paid _____

Annual Renewal Fee – Formula as Follows:

- 1. *Gross Revenue for Prior Year _____
- 2. License Fee Based Upon \$0.40 Per Thousand X 0.004
- 3. Amount of Renewal Fee if Greater than \$15.00 _____

Minimum License Fee = \$50.00

Minimum License Fee = \$300.00

*Gross Revenue shall include **all revenue** done by the business except that from the sale of gasoline, diesel fuel and alcoholic beverages. **NO** expense of conducting business shall be deducted in computing gross revenue.

For Administrative Staff Only

	Approved	Disapproved	Date
City Zoning	_____	_____	_____
City Council	_____	_____	_____



Planning and Zoning Meeting Staff Report

Date of Meeting: September 2, 2020
Name of Project/Business: Window Washing Service
Name of Applicant: Cole Cripps
Agenda Item: Home Occupation
Location of Item: 850 W Highway 6
Zoning Designation: RC
Parcel Number: [1B-0077-0047](#)
Item #:

Background:

Cole Cripps is starting his own window washing service. The residence would only serve as a home occupation.

Land Use Summary

- Lot Size: .88 Acres
- [RC](#)

Analysis:

- **Access:** N/A no patrons would visit home.
- **Utilities:** Property Owner has established water and sewer connections.
- **Fire Hydrant:** Location should have an established Fire Hydrant Access
- **Fire Inspection:** N/A
- **Engineering/Road:** N/A
- **Plat/Survey Review:** N/A

Findings:

This business is classified as a service-oriented business and would fall under a Home Occupation. Business owner would be subject to the requirements of 12-5-5 of the Wellington City Code.

**Planning and Zoning Commission Meeting Staff Report for
City Council Supplemental Information**

Agenda Item – Exempt Home Occupation License for Cole Cripps – at 850 W Highway 6 Zoned RC

Review of Planning and Zoning Decision

The City Recorder presented the proposed home occupation on behalf of Cole Cripps. Cripps plans to have a window washing service. All service related to the business would take place outside of the home.

Commissioner Cha moved to provide Cole Cripps with a favorable recommendation to move forward to City Council with the application for an exempt home occupation license at 850 W Highway 6 to provide a window washing service. Commissioner Willson seconded the motion, and all commissioners present approved the recommendation.

Possible Actions:

1. **Recommendation of Approval:** This action may be taken if the City Council feels the proposal complies with the requirements of the Land Use Code and General Plan.
 - a. List accepted findings
 - b. Place standards as needed

2. **Table:** This action may be taken if the City Council feels that there are unresolved issues.
 - a. List accepted findings
 - b. Reasons of tabling
 - i. Unresolved issues that must be addressed
 - c. Date when the item will be heard again

3. **Recommendation of Denial:** This action may be taken if the City Council feels that the request does not meet the intent of the Land Use Code and General Plan.
 - a. List accepted findings
 - b. Reasons for denial



BUSINESS LICENSE APPLICATION – FOR MEETING PURPOSES

- New Business Home Business
- Conditional Use License Renewal

Business Name Cole Cripps

Business Address 850 W Highway 6

Mailing Address PO Box 526 Wellington, UT 84542

Business Phone 435-650-5711

Nature of Business Window Washing Service

Are you legally authorized for employment in the United States of America? Yes

Please describe required uniform for employee None

Is any service/item provided sexually oriented? No

Owner(s) Name Cole Cripps

*Form amended from original application to protect applicant's personal information.

**All Business Licenses EXPIRE ON DECEMBER 31st of the Year Issued!
No Refund of license fees after issuance of business license.**

Application Fee: \$15.00 Date Paid 8/19/2020

New Business License Fee (Upon Approval): \$50.00 Date Paid _____

New Business Inspection Fee (Building & Fire): \$50.00 Date Paid _____

Annual Renewal Fee – Formula as Follows:

- 1. *Gross Revenue for Prior Year _____
- 2. License Fee Based Upon \$0.40 Per Thousand X 0.004
- 3. Amount of Renewal Fee if Greater than \$15.00 _____

Minimum License Fee = \$50.00

Minimum License Fee = \$300.00

*Gross Revenue shall include **all revenue** done by the business except that from the sale of gasoline, diesel fuel and alcoholic beverages. **NO** expense of conducting business shall be deducted in computing gross revenue.

For Administrative Staff Only

	Approved	Disapproved	Date
City Zoning	_____	_____	_____
City Council	_____	_____	_____