LOCAL BUILDING AUTHORITY OF RICH COUNTY, UTAH
TAXABLE LEASE REVENUE BONDS, SERIES 2018

AUTHORIZING RESOLUTION
May 16, 2018

RESOLUTION NO. 18-6 LBA

A RESOLUTION OF THE GOVERNING BOARD OF THE LOCAL BUILDING AUTHORITY OF RICH COUNTY, UTAH, AUTHORIZING THE ISSUANCE AND SALE OF $3,870,000 TAXABLE LEASE REVENUE BONDS, SERIES 2018 FOR ROAD IMPROVEMENTS, INCLUDING THE RECONSTRUCTION OF A PORTION OF CISCO ROAD, AND RELATED IMPROVEMENTS; PROVIDING THE FORM OF THE BONDS; AND PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS AND RELATED MATTERS.

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

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

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

WHEREAS, the County and the Authority desire to finance, in part, the acquisition and construction of road improvements for use by the County including, without limitation, road improvements, including the reconstruction of a portion of Cisco Road, and related improvements (the "2018 Project"); and

WHEREAS, the Authority now desires to finance the 2018 Project through the issuance of its $3,870,000 Taxable Lease Revenue Bonds, Series 2018 (the "Series 2018 Bonds"); and

WHEREAS, the County owns or enjoys easement rights either recorded or prescriptive to the parcel of real property on which the 2018 Project will be located (the "Project Site") and the County, as lessor, desires to lease the Project Site to the Authority, as lessee, pursuant to the 2018 Project Ground Lease Agreement to be dated as of June 1, 2018, or the first day of the month in which the Bonds are issued (the "2018 Project Ground Lease"); and

WHEREAS, the Authority desires to lease the 2018 Project, as lessor, on an annually renewal basis, to the County, as lessee; and

WHEREAS, pursuant to the terms of the Lease Agreement to be dated as of June 1, 2018, or the first day of the month in which the Bonds are issued, between the Authority and the County (the "Lease"), the County will lease, as lessee, the 2018 Project from the Authority, as lessor, on an annually renewable basis; and

WHEREAS, pursuant to the terms of a Ground Lease Agreement to be dated as of June 1, 2018, or the first day of the month in which the Bonds are issued, between the Authority and the County (the "2018 Project Ground Lease"), the Authority will lease, as lessee, an interest in the project site from the County, as Lessor; and

WHEREAS, the County desires that the Authority pledge substitute collateral as security for the Series 2018 Bonds to consist of the New Road Shed, Senior Citizen's Center, 4-H Building, Courthouse / Jail, Laketown Road Shed, Sanitation Building, Old Weed Shed, Health Building, and the New Weed Shed, and accordingly pursuant to the terms of the Substitute Collateral Ground Lease to be dated as of June 1, 2018, or the first day of the month in which the Bonds are issued (the "Substitute Collateral Ground Lease" and collectively with the 2018 Project Ground Lease, the "Ground Lease"), the County leases the Substitute Collateral to the Authority with the reservation of all reversionary rights described in the Substitute Collateral Ground Lease; and

WHEREAS, the plans, specifications and estimated costs of the acquisition, construction, furnishing and equipping of the 2018 Project, including a certificate of the engineer/architect for the 2018 Project setting forth the estimated useful life of the respective 2018 Project have been submitted to and approved by the County Commissioners; and

WHEREAS, the Authority will issue its Series 2018 Bonds in the total principal amount of $3,870,000, pursuant to the terms of the Master Resolution to be dated as of June 1, 2018, or the first day of the month in which the Bonds are issued (the "Master Resolution"); and

WHEREAS, the Authority proposes to secure its payment obligations under the Series 2018 Bonds, by executing a Leasehold Deed of Trust, Assignment of Rents and Security Agreement with respect to the Substitute Collateral, and an Assignment of the Ground Lease (collectively, the "Security Documents") for the benefit of the holders of the Series 2018 Bonds; and

WHEREAS, the Series 2018 Bonds shall be payable solely from the rents, revenues and other income derived by the Authority from the leasing of the 2018 Project and Substitute Collateral (collectively, the "Project") to the County on an annually renewable basis, and shall not constitute or give rise to an obligation or liability of the County, or the State of Utah or constitute a charge against the general credit or taxing powers of the County, the State of Utah or the Authority; and

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

WHEREAS, the Authority has negotiated the sale of the Series 2018 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 County and, therefore, it is necessary that the County Commissioners authorize certain actions by the Authority in connection with the transactions contemplated by the Lease, the Ground Lease, the Master Resolution, the Series 2018 Bonds and the Security Documents; and

WHEREAS, the County Commissioners, by their Resolution dated May 16, 2018 (the "County Resolution"), have authorized, approved and directed the execution of the Lease and the Ground Lease by the County and has authorized the issuance of the Series 2018 Bonds and the financing of the acquisition and construction of the 2018 Project by the Authority and has further authorized the execution of the Lease, the Ground Lease, the Master Resolution and the Security Documents (including the Leasehold Deed of Trust and Assignment of Ground Lease) by the Authority, and certain other acts to be taken by the Authority in connection therewith; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE LOCAL BUILDING AUTHORITY OF RICH COUNTY, UTAH:

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution, the Parameters Resolution adopted by the Authority on April 4, 2018, the County Resolution or the Creating Resolution) by the Governing Board and by the officers of the Authority directed toward the issuance of the Series 2018 Bonds and the financing of the acquisition and construction of the 2018 Project are hereby ratified, approved and confirmed.

Section 2. The Governing Board hereby authorizes, approves and directs the financing of the acquisition and construction of the 2018 Project by the Authority with all or substantially all of the proceeds of the Series 2018 Bonds in accordance with the provisions of the Master Resolution, the leasing of the Project to the County by the Authority in the manner provided in the Lease, and the delivery of the Security Documents by the Authority.

Section 3. The Lease in substantially the form presented to this meeting and attached hereto as Exhibit A is in all respects authorized, approved and confirmed. The Chair of the Authority is hereby authorized to approve the final terms of the Lease and to

execute and deliver the same in the forms and with substantially the same content as set forth in Exhibit A, for and on behalf of the Authority.

Section 4. The Master Resolution in substantially the forms 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 approve the final terms of the Master Resolution and to execute and deliver the same in the forms and with substantially the same content as set forth in Exhibit B, for and on behalf of the Authority.

Section 5. For the purpose of providing funds to finance a portion of the construction of the 2018 Project as more fully described in the Master Resolution, and to pay the costs of issuing the Series 2018 Bonds and for such other purposes as may be authorized under the Master Resolution, the Authority shall issue the Series 2018 Bonds designated the "Local Building Authority of Rich County, Utah, Taxable Lease Revenue Bonds, Series 2018", to be issued in the aggregate principal amount of $3,870,000.

Section 6. The Authority hereby authorizes the issuance of the Series 2018 Bonds in the total aggregate principal amount of $3,870,000. The Series 2018 Bonds shall be dated as of their respective delivery dates and, except as otherwise provided in the Master Resolution, the Series 2018 Bonds shall bear no interest. Principal on the Series 2018 Bonds shall be payable in annual installments in accordance with the Master Resolution.

The form, terms and provisions of the Series 2018 Bonds and the provisions for the signatures, 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 2018 Bonds shall mature prior to the expiration of the estimated useful life of the component of the Project financed by such series. The Chair of the Governing Board of the Authority is hereby authorized to execute the Series 2018 Bonds. The Secretary of the Governing Board of the Authority is hereby authorized to attest to the signature of the Chair of the Authority's Governing Board, place the seal of the Authority on the Series 2018 Bonds, and deliver the Series 2018 Bonds as provided in the Master Resolution. The signatures of the Chair and of the Secretary of the Governing Board of the Authority may be by facsimile or manual execution.

Section 7. The Security Documents (including the Leasehold Deed of Trust and Assignment of Ground Lease) in substantially the form presented to this meeting and attached hereto as Exhibit C are in all respects authorized, approved and confirmed. The Chair of the Authority is hereby authorized to approve the final terms of the Security Documents and to execute and deliver the same in the form and with substantially the same content as set forth in Exhibit C, for and on behalf of the Authority.

Section 8. The Ground Lease (including the 2018 Project Ground Lease and the Substitute Collateral Ground Lease) in substantially the forms presented to this meeting and attached hereto as Exhibit D is in all respects authorized, approved and confirmed. The Chair of the Authority is hereby authorized to approve the final terms of

the Ground Lease and to execute and deliver the same in the forms and with substantially the same content as set forth in Exhibit D, for and on behalf of the Authority.

Section 9. 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 transactions and are authorized to take all action necessary in conformity with the Acts and the Articles to finance the 2018 Project and to lease the Project to the County pursuant to the Lease including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2018 Bonds.

Section 10. The appropriate officials of the Authority are authorized to make any alteration, change or addition to the Lease, the Ground Lease, the Master Resolution, the Security Documents and the Series 2018 Bonds authorized and approved herein as may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of those same documents, this Resolution, the County Resolution, the Creating Resolution or any resolution adopted by the County or the Authority, or the laws of the State of Utah or the United States. Execution of the above-referenced documents by the Chair and Secretary of the Authority's Governing Board shall constitute full approval of any such changes for purposes of effecting the provisions of this Resolution.

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

Section 12. The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and to place the seal of the Authority on the Lease, the Ground Lease, the Master Resolution, the Security Documents (including the Deed of Trust), the Series 2018 Bonds, and any other documents authorized, necessary or proper pursuant to this Resolution or any resolution of the County or the Authority. The appropriate officials of the Authority, and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and any other applicable resolution of the Authority.

Section 13. In consideration of the purchase of the Series 2018 Bonds by the holder(s) thereof from time to time, the obligations and undertakings of the County under the Lease, and in accordance with the provisions of the Acts and the Articles, the Authority does hereby pledge to and agree with the holders of the Series 2018 Bonds, the County that the Authority, to the extent of its powers under the Articles and under the Constitution and laws of the state of Utah, including the Acts, will not alter, impair or limit the rights vested in the holders of the Series 2018 Bonds, the County until the Series 2018 Bonds are deemed to have been discharged in accordance with the terms and provisions of the Master Resolution and the Security Documents.

Section 14. Upon their issuance, the Series 2018 Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Lease, the Series 2018 Bonds, the Security Documents and the Master Resolution. No provision of this Resolution or of the Lease, the Ground Lease, the Master Resolution, the Security Documents, the Series 2018 Bonds, or any other instrument, shall be construed as creating a general obligation of the County, the Authority or the State of Utah or as incurring or creating a charge upon the general credit or the taxing powers of the County, the State of Utah or the Authority (the Authority has no taxing powers). As specified by the County in the County Resolution, the County shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost of making any payment with respect to the Series 2018 Bonds, except in connection with the payment of the Base Rentals, Additional Rentals, and Purchase Option Price as provided in the Lease (as those terms are defined in the Lease), which may be terminated by the County on any annual renewal date thereof in accordance with the provisions of the Lease, which may be terminated by the County on any annual renewal date thereof in accordance with the provisions of the Lease.

Section 15. After any of the Series 2018 Bonds are delivered to the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Series 2018 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Master Resolution and the Security Documents.

Section 16. In accordance with the provisions of the Utah Local Building Authority Act, the Secretary caused a "Notice of Public Hearing and Bonds to be Issued" (the "Notice") to be published once a week for two consecutive weeks in a newspaper having general circulation in the Authority and County and, for at least thirty (30) days from and after the publication of the Notice, caused a copy of the form of this Resolution, the form of Master Resolution and the Parameters Resolution to be kept on file in the office of the Secretary of the Authority for public examination during regular business hours.

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. The Secretary of the Authority is hereby directed to complete and execute the Record of Proceedings attached hereto as Exhibit E to officially record the proceedings at which this Resolution was considered for adoption.

Section 19. This Resolution shall become effective immediately upon adoption by the Governing Board of the Authority.

ADOPTED AND APPROVED BY THE GOVERNING BOARD OF THE LOCAL BUILDING AUTHORITY OF RICH COUNTY, UTAH, THIS May 16, 2018.

Chair

ATTEST:

Secretary

(LBA S E A L)

EXHIBIT A

LEASE

[See Transcript Document No. ___]

EXHIBIT B

MASTER RESOLUTION

[See Transcript Document No. ___]

EXHIBIT C

SECURITY DOCUMENTS

[See Transcript Document Nos. __ & __]

EXHIBIT D

GROUND LEASE AGREEMENTS

[See Transcript Document No. __ & __]

EXHIBIT E

RECORD OF PROCEEDINGS
LOCAL BUILDING AUTHORITY OF RICH COUNTY, UTAH
May 16, 2018

The Governing Board (the "Governing Board") of the Local Building Authority of Rich County, Utah (the "Authority"), met in a special meeting at the Governing Board's regular meeting place at 20 S. Main, Randolph, Utah, on May 16, 2018, at 6:30 p.m., or as soon thereafter as feasible (the "Meeting"). Present at the Meeting were the following members of the Governing Board:

Present:

William E. Cox	Chair
Norman Weston	Member
Thomas Weston	Member

Also Present:

Rebecca Peart	Secretary

Absent:

which constituted all members thereof.

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

A motion to adopt the Authority Authorizing Resolution was then duly made by Thomas Weston and seconded by William Cox, and the Resolution was put to a vote and carried, the vote being as follows:

Those Voting Aye:
Thomas Weston, William Cox

Those Voting Nay:

Those Absent:

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

CERTIFICATE OF AUTHORITY SECRETARY

I, Rebecca Peart, the undersigned and duly qualified and acting Secretary of the Local Building Authority of Rich County, Utah (the "Authority"), do hereby certify:

The attached Authority Authorizing Resolution is a true, accurate and complete copy thereof adopted by the Governing Board of the Authority at a lawful special meeting duly held and conducted by the Authority's Governing Board at 20 S. Main, Randolph, Utah, on May 16, 2018, commencing at the hour of 6:30 p.m. (the "Meeting"), or as soon thereafter as feasible, as recorded in the regular official book of the proceedings of the Authority kept in my office. The Meeting was called and noticed as required by law as is evidenced by the following Notice of Special Meeting 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 May 16, 2018, and is officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority, this May 16, 2018.

Rebecca Peart

Secretary

(LBA SEAL)

LOCAL BUILDING AUTHORITY OF RICH COUNTY
SEAL
UTAH

NOTICE OF SPECIAL MEETING

TO THE MEMBERS OF THE GOVERNING BOARD OF THE LOCAL BUILDING AUTHORITY OF RICH COUNTY, STATE OF UTAH:

NOTICE IS HEREBY GIVEN that a special meeting of the Governing Board of the Local Building Authority of Rich County, Utah, will be held at the Governing Board's regular meeting place at 20 S. Main, Randolph, Utah at the hour of 6:30 p.m., or as soon thereafter as feasible, on May 16, 2018, (the "Special Meeting") for the purpose of authorizing the issuance and sale of its $3,870,000 Taxable Lease Revenue Bonds, Series 2018, for road improvements and the execution of related documents and for the transaction of such other business incidental to the foregoing as may come before the Special Meeting.

Rebecca Peat

Secretary

ACKNOWLEDGMENT OF NOTICE
AND CONSENT TO SPECIAL MEETING

We, the Chair and members of the Governing Board of the Local Building Authority of Rich County, Utah, do hereby acknowledge receipt of the foregoing Notice of Special Meeting (the "Notice"), and we hereby waive any and all irregularities, if any, in the Notice and in the manner of service thereof upon us and consent and agree to the holding of the Special Meeting at the time and place specified in the Notice, and to the transaction of any and all business which may come before the Special Meeting.

Allison Eliason

Chair

Thomas J. Stoddard

Member

Member

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Rebecca Peart, the undersigned Secretary of the Local Building Authority of Rich County, 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 52-4-6(2), 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 May 16, 2018, public meeting held by the Authority as follows:

(a) By causing a notice, in the form attached hereto (the "Meeting Notice"), to be posted at the Authority's principal offices at least twenty-four (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; and

(b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the Authority and Rich County at least twenty-four (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.

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

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this May 16, 2018.

Rebecca Peart

Secretary

(LBA SEAL)

LOCAL BUILDING AUTHORITY OF RICH COUNTY
SEAL
UTAH

[Attach "Meeting Notices"]

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