

**LOCAL BUILDING AUTHORITY OF SAN JUAN COUNTY, UTAH
LEASE REVENUE BONDS**

**BOND RESOLUTION
MAY 21, 2024**

RESOLUTION NO. 2024-_____

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$21,366,000 LEASE REVENUE BONDS, SERIES 2024 TO FINANCE A PUBLIC SAFETY BUILDING REMODEL AND EXPANSION AND RELATED MATTERS.

WHEREAS, San Juan County, Utah (the “County”) has previously authorized and directed the creation of the Local Building Authority of San Juan 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 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 the acquisition and construction of a public safety building remodel and expansion and related improvements for use by the County (the “Project”); and

WHEREAS, the Authority now desires to finance the Project, in part, through the issuance of its Lease Revenue Bonds, Series 2024 (the “Series 2024 Bonds”); and

WHEREAS, the Authority desires to lease, as lessee, the real property upon which the Project will be constructed from the County, as lessor, pursuant to the terms and provisions of that certain Ground Lease Agreement dated as the first day of the month in the month in which the Series 2024 Bonds are issued (the “Ground Lease”), in substantially the form presented to this meeting and attached hereto as Exhibit D, herein authorized and approved; and

WHEREAS, pursuant to a Lease Agreement to be dated as of the first day of the month in the month in which the Series 2024 Bonds are issued, between the Authority and the County (the “Lease”), the County will lease, as lessee, the Project from the Authority on an annually renewable basis; and

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

WHEREAS, the Authority will issue its Series 2024 Bonds in the total principal amount of \$21,366,000 pursuant to a Master Resolution dated as of the first day of month in the month in which the Series 2024 Bonds are issued) (the “Master Resolution”); and

WHEREAS, the Authority proposes to secure its payment obligations under the Series 2024 Bonds by executing a Leasehold Deed of Trust, Assignment of Rents and Security Agreement with respect to the Project and an Assignment of Ground Lease, each dated as of the first day of the month in the month in which the Series 2024 Bonds are issued (collectively, the “Security Documents”) for the benefit of the holders of the Series 2024 Bonds; and

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

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

WHEREAS, the Authority has negotiated the purchase of the Series 2024 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 Board of 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 2024 Bonds and the Security Documents; and

WHEREAS, the Board of County Commissioners has authorized, approved and directed the execution of the Lease by the County and has authorized the issuance of the Series 2024 Bonds and the financing of the construction of the Project by the Authority and has further authorized the execution of the Lease, the Ground Lease, the Master Resolution and the Security Documents, and certain other acts to be taken by the Authority in connection therewith:

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

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution, the County Resolution or the Creating Resolution) by the Governing Board and by the officials of the Authority directed toward the issuance of the Series 2024 Bonds and the financing of the acquisition and construction of the Project are hereby ratified, approved and confirmed.

Section 2. The Governing Board hereby authorizes, approves and directs the financing of the Project by the Authority with all or substantially all of the proceeds of the Series 2024 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 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 authorized to approve the final terms thereof and to execute and deliver the Lease in the form and with substantially the same content as set forth in Exhibit A for and on behalf of the Authority.

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

Section 5. For the purpose of providing funds to finance the construction of the Project, and to pay certain costs of issuance and for such other purposes as may be authorized under the Master Resolution, the Authority shall issue the Series 2024 Bonds in the total principal amount of \$21,366,000 which shall be designated the “Local Building Authority of San Juan County, Utah Lease Revenue Bonds, Series 2024”. The Series 2024 Bonds shall be dated as of their delivery date, and, except as otherwise provided in the Master Resolution, the Series 2024 Bonds shall bear interest at the rate or rates of 2.0% per annum. Interest shall commence to accrue as of October 1, 2024 or the dated date of the Series 2024 Bonds, whichever is later. Principal and interest on the Series 2024 Bonds shall be payable in annual installments on October 1st of each year, commencing October 1, 2025, in accordance with the Master Resolution.

The form, terms and provisions of the Series 2024 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolution in the form to be executed by the Authority. The Series 2024 Bonds shall mature prior to the expiration of the estimated useful life of the Project.

The Chair of the Authority is hereby authorized to execute the Series 2024 Bonds, and to deliver the Series 2024 Bonds to the Purchaser. The Secretary of the Authority is authorized to attest to the signature of the Chair, to place the seal of the Authority on the Series 2024 Bonds and to authenticate the Series 2024 Bonds. The signatures of the Chair and of the Secretary of the Authority may be by facsimile or manual execution.

In the event the bids for the Project exceed the amount of Series 2024 Bonds authorized herein of \$21,366,000, then the Governing Board of the Authority appoints a Pricing Committee consisting of the Chair of the Authority and the Secretary and authorizes the Pricing Committee to approve the Master Resolution attached hereto as Exhibit B with such changes thereto as shall be approved by the Pricing Committee, as authorized by Section 11-14-302 of the Act, provided that the principal amount, interest rate or rates, maturity and discount shall not exceed the maximums set forth in April 5, 2024 parameters resolution of \$24,000,000 aggregate principal amount of its Bonds, in one or more series, to bear interest at the rate or rates of not to exceed 2.0% per annum, to mature in not more than 35 years from their date or dates, and to be sold at a price not less than 99% of the total principal amount thereof.

Section 6. The appropriate officials of the Authority are hereby authorized to execute and deliver the Security Documents in substantially the form and with substantially the same content as set forth in Exhibit C attached hereto for and on behalf of the Authority.

Section 7. The Ground Lease in the form presented to this meeting and attached as Exhibit D, is in all respects approved, authorized and confirmed and the Chair of the Authority is authorized to approve the final terms thereof and to execute and deliver the same in the form and with substantially the same content as set forth in Exhibit D for and on behalf of the Authority.

Section 8. The appropriate officials of the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction as contemplated thereby and are authorized to take all action necessary in conformity with the Acts and the Articles to finance the 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 2024 Bonds.

Section 9. The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Lease, the Master Resolution, the Ground Lease 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 County Resolution, the Creating Resolution or any resolution adopted by the County or the Authority, or the provisions of the laws of the State of Utah or the United States. Execution of said documents shall conclusively establish approval of such charges.

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 Ground Lease, the Master Resolution, the Security Documents, the Series 2024 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 resolution of the Authority.

Section 12. In consideration of the purchase of the Series 2024 Bonds by the holders thereof from time to time, the obligations and undertakings of the County under the Lease, and in accordance with the provisions of the Acts and the Articles, the Authority does hereby pledge to and agree with the holders of the Series 2024 Bonds and the County that the Authority, to the extent of its powers under the Articles and under the Constitution and laws of the state of Utah, including the Acts, will not alter, impair or limit the rights vested in the holders of the Series 2024 Bonds or the County until the Series 2024 Bonds are deemed to have been discharged in accordance with the terms and provisions of the Master Resolution and the Security Documents.

Section 13. Upon their issuance, the Series 2024 Bonds will constitute limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Series 2024 Bonds and the Master Resolution. No provision of this resolution or of the Lease, the Ground Lease, the Master Resolution, the Security Documents, the Series 2024 Bonds, or any other instrument, shall be constructed as creating a general obligation of the County, or as incurring or creating a charge upon the general credit of the County or its taxing powers. As specified by the County in the County Resolution, the County shall have no power to pay out of its funds, revenues, or accounts, or otherwise contribute any part of the cost of making any payment in respect of the Series 2024 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 County 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 2024 Bonds are delivered to the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Series 2024 Bonds are deemed to have been fully discharged in accordance with the terms and provisions of the Master Resolution and the Security Documents.

Section 15. The Issuer held a public hearing on May 21, 2024, in accordance with the requirements of the Utah Local Building Authority Act.

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

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

PASSED AND APPROVED BY THE GOVERNING BOARD OF THE LOCAL
BUILDING AUTHORITY OF SAN JUAN COUNTY, UTAH, THIS MAY 21, 2024.

Chair

ATTEST:

Secretary

(S E A L)

RECORD OF PROCEEDINGS

The Governing Board of the Issuer met in public session at the regular meeting place of the Board in San Juan, Utah, on May 21, 2024 (the “Meeting”), at the hour of 11:00 a.m. with the following members of the Board being present:

Jamie Harvey	Member/Chair
Bruce Adams	Member
Sylvia Stubbs	Member/Vice Chair

Also present:

Lyman W. Duncan	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 Commissioner _____ and seconded by Commissioner _____, 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 SECRETARY

I, Lyman W. Duncan, the duly appointed and qualified Secretary of the Issuer do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the Board at a public meeting duly held on May 21, 2024 (the "Meeting"). The Meeting was called and noticed as required by law as is evidenced by the attached 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 21, 2024 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 County, this May 21, 2024.

(S E A L)

Secretary

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Lyman W. Duncan, the undersigned Secretary of the Issuer do hereby certify, according to the records of the Issuer 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 24 hours public notice of the agenda, date, time and place of the May 21, 2024, public meeting held by the Issuer as follows:

(a) By causing a Meeting Notice, in the form attached, to be posted at the principal office of the Issuer 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; and

(b) By causing a copy of the Meeting Notice to be posted on the County website 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.

In addition, I personally provided notice of the meeting to each member of the Governing Board at least 24 hours prior to convening the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this May 21, 2024.

Secretary

(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

MASTER RESOLUTION

(See Transcript Document No. __)

EXHIBIT C

SECURITY DOCUMENT

(See Transcript Document No. __)

EXHIBIT D

GROUND LEASE

(See Transcript Document No. __)